DIGEST

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HB 90 Engrossed

2017 Regular Session

Danahay

Abstract: Allows a public servant to receive any thing of economic value as a contribution or donation up to a total of \$25,000 from not-for-profit organizations or funds within not-for-profit organizations for the purpose of disaster aid or relief to offset any economic losses suffered by the public servant as a result of a gubernatorially declared disaster or emergency.

Present law (R.S. 42:1111 - Code of Governmental Ethics) provides, subject to certain exceptions, that no public servant (defined as a public employee or an elected official) shall receive any thing of economic value, other than compensation and benefits from the governmental entity to which he is duly entitled, for the performance of the duties and responsibilities of his office or position. Present law (R.S. 42:1115(A)) prohibits a public servant from soliciting or accepting any thing of economic value as a gift or gratuity from any person if the public servant knows or should know that such person has or is seeking to obtain a business relationship with the public servant's agency or is seeking to influence the passage or defeat of legislation by the public servant's agency. Present law (R.S. 42:1115(B)) further prohibits a public employee from accepting any thing of economic value from any person who conducts operations regulated by the public employee's agency or who has substantial economic interests which may be substantially affected by the performance or nonperformance of the public employee's official duty.

<u>Present law</u> (R.S. 42:1123(36)) provides an exception to the ethics code which, during the time period of Aug. 29, 2005, to Dec. 31, 2009, allowed a public employee to receive a thing of economic value as a contribution or donation from certain specified not-for-profit organizations or specified funds within such organizations for disaster aid or relief to offset economic losses the employee suffered due to Hurricane Katrina or Rita. Provides that the value of contributions or donations received by the employee from any one of such organizations or funds shall not exceed \$10,000 and that the total value of such contributions or donations received by the employee from such organizations or funds shall not exceed \$25,000. <u>Present law</u> required a detailed report from each not-for-profit no later than Feb. 15, 2010.

Proposed law repeals the present law exception.

<u>Proposed law</u> provides instead an ethics code exception to allow a public servant, during the time period extending from the date of a gubernatorially declared disaster or emergency and ending on the date five years after the date the gubernatorially declared disaster or emergency was initially declared by the governor, to accept a thing of economic value as a contribution or donation from a not-for-profit organization or a fund within a not-for-profit organization for the purpose of disaster aid or relief to offset any economic losses suffered by the public servant as a result of the

gubernatorially declared disaster or emergency. Limits the total value of contributions or donations received by the public servant related to the gubernatorially declared disaster or emergency from not-for-profit organizations or funds within not-for-profit organizations to \$25,000. Requires each not-for-profit organization which disburses a contribution or donation to a public servant to utilize objective criteria in both evaluating the need for and the disbursement of contributions and donations to public servants to ensure that fair and equitable disbursements are made and that the disbursements are based upon demonstrated and documented needs directly related to the gubernatorially declared disaster or emergency. Requires each not-for-profit organization to file a report, by Feb. 15 of each year following a year it gives such contributions or donations, with the Board of Ethics containing the identification of the gubernatorially declared disaster associated with the contribution or donation, the objective criteria utilized, the name of each public servant to whom a contribution or donation was given, the name of his agency, the nature of the donation or contribution, and the value of the donation or contribution. Further requires a report covering 2016 to be filed no later than Feb. 15, 2018.

<u>Proposed law</u> provides that the provisions of <u>proposed law</u> adding the exception to allow a public servant to receive a donation or contribution related to the gubernatorially declared disaster or emergency shall be applied retroactively to Jan. 1, 2016, as well as prospectively.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 42:1111.1; Repeals R.S. 42:1123(36))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by <u>House Committee on House and Governmental Affairs</u> to the <u>original</u> bill:

- 1. Clarify that the objective criteria and reporting requirements in the <u>proposed law</u> ethics exception apply to not-for-profit organizations disbursing contributions and donations that would have otherwise been prohibited by the ethics code.
- 2. Apply the requirement for the utilization of objective criteria on disbursements to all contributions and donations, not just funds.
- 3. Make technical changes.