

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 83rd General Assembly
3 Regular Session, 2001
4

As Engrossed: S3/19/01 H3/26/01

A Bill

Act 1599 of 2001
SENATE BILL 817

5 By: Senators Fitch, Mahony, Bisbee, J. Jeffress, Riggs, Wooldridge, Critcher, Gullett, Webb, Wilkinson,
6 Baker
7 By: Representatives Ferguson, Hausam, R. Smith, Judy, Files, Bledsoe, Roebuck, M. Steele, Parks,
8 Hathorn, Gipson, Milligan, Eason, King
9
10

For An Act To Be Entitled

11 AN ACT TO SET FORTH CERTAIN ETHICAL GUIDELINES
12 AND PROHIBITIONS FOR EDUCATIONAL ADMINISTRATORS,
13 EMPLOYEES, AND BOARD MEMBERS; TO SET PENALTIES
14 FOR VIOLATIONS; TO REPEAL CERTAIN ARKANSAS CODE
15 PROVISIONS; AND FOR OTHER PURPOSES.
16
17

Subtitle

18 TO SET FORTH CERTAIN ETHICAL GUIDELINES
19 AND PROHIBITIONS FOR EDUCATIONAL
20 ADMINISTRATORS, EMPLOYEES, AND BOARD
21 MEMBERS.
22
23
24

25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
26
27

28 SECTION 1. General Policy. (a) It is the policy of the state to
29 promote and balance the objective of protecting integrity and facilitating
30 the recruitment and retention of personnel needed by public educational
31 entities.

32 (b) All board members, administrators, and employees, as defined
33 herein, shall carry out all official duties for the benefit of the people of
34 the community and the State of Arkansas and shall abide by the provisions of
35 this act.

36 (c) It is the specific intent of this act to prohibit self-dealing in

1 transactions between public educational entities and board members,
2 administrators, or employees.

3
4 SECTION 2. Definitions and application. Unless otherwise specifically
5 stated herein, the term:

6 (1) "Administrator" means any superintendent, assistant superintendent
7 or their equivalent, school district treasurer, business manager, or other
8 individual directly responsible for entity-wide purchasing;

9 (2) "Board" means local school boards or other governing bodies of
10 public educational entities;

11 (3) "Board Member" means any board member, director, or other member
12 of a governing body of a public educational entity;

13 (4) "Board of Education" means the State Board of Education;

14 (5) "Commodities" means all supplies, goods, material, equipment,
15 computers, software, machinery, facilities, personal property, and services,
16 other than personal and professional services, purchased for or on behalf of
17 a public educational entity;

18 (6) "Contract" means any transaction or agreement for the purchase,
19 lease, transfer, or use of real property or personal property and personal or
20 professional services, including but not limited to, motor vehicles,
21 equipment, commodities, materials, services, computers or other electronics,
22 construction, capital improvements, deposits, and investments;

23 (7) "Directly" or "directly interested" means receiving compensation
24 or other benefits personally or to a business or other entity in which the
25 individual has a financial interest;

26 (8) "Director" means the Director of the Department of Education or
27 his designee;

28 (9) "Emergency purchase" means purchases mandated by unforeseen and
29 unavoidable circumstances in which human life, health, or public property is
30 in immediate jeopardy and the expenditure is necessary to preserve life,
31 health, or public property.

32 (10) "Employee" means a full-time or part-time employee of a public
33 educational entity;

34 (11) "Family" or "family members" means:

35 (A) An individual's spouse;

36 (B) Children of the individual or spouse;

- 1 (C) A child's spouse;
- 2 (D) Parents of the individual or the spouse;
- 3 (E) Brothers and sisters of the individual;
- 4 (F) Anyone living or residing in the same residence or household
- 5 with the individual or the spouse; or
- 6 (G) Anyone acting or serving as an agent of the individual.

- 7 (12)(A) "Financial interest" in a business or other entity means:
- 8 (i) Ownership of more than a five percent (5%) interest;
- 9 (ii) Holding a position as an officer, director, trustee,
- 10 partner, or other top level management;
- 11 (iii) Being an employee, agent, independent contractor, or
- 12 other arrangement where the individual's compensation is based in whole or in
- 13 part on transactions with the public educational entity;

- 14 (B) Financial interest does not include the ownership of stock
- 15 or other equity holdings in any publicly held company.

- 16 (C) Financial interest does not include clerical or other
- 17 similar hourly compensated employees.

- 18 (13) "Gratuity" means a payment, loan, subscription, advance, deposit
- 19 of money, travel, services or anything having a present market value of one
- 20 hundred dollars (\$100) or more, unless consideration of substantially equal
- 21 or greater value is received;

- 22 (14) "Indirectly" or "indirectly interested" means receiving
- 23 compensation or other benefits personally, to a family member, or to a
- 24 business or other entity in which the individual or a family member has a
- 25 financial interest; and

- 26 (15) "Public educational entity" means Arkansas public school
- 27 districts, charter schools, educational cooperatives, or any publicly
- 28 supported entity having supervision over public educational entities. Public
- 29 educational entity does not include institutions of higher education.

30

- 31 SECTION 3. Compliance with other laws. Nothing in this act alters or
- 32 diminishes other statutory or regulatory requirements regarding purchasing,
- 33 contracting, bidding, disposition of property, or other transactions with
- 34 public educational entities.

35

- 36 SECTION 4. General prohibition. (a) No board member, administrator,

1 or employee shall knowingly use or attempt to use his or her official
2 position to secure unwarranted privileges or exemptions for himself or
3 others.

4 (b) While serving as a board member, administrator, or employee, an
5 individual shall not accept employment, contract, or engage in any public or
6 professional activity which a reasonable person would expect might require or
7 induce him to disclose any information acquired by him by reason of his
8 official position which is declared by law or regulation to be confidential.

9 (c) No board member, administrator, or employee shall knowingly
10 disclose any confidential information gained by reason of his position, nor
11 shall he knowingly otherwise use such information for his personal gain or
12 benefit.

13 (d) Nothing in this act prohibits board members, administrators, or
14 employees of public educational entities from donating services or property
15 to a public educational entity.

16
17 SECTION 5. School boards. (a) General Prohibition. Except as
18 otherwise provided, it is a breach of the ethical standards of this act for a
19 board member to contract with the public educational entity the member serves
20 if the board member has knowledge that he or she is directly or indirectly
21 interested in the contract.

22 (b) The act does not prohibit family members of board members from
23 being employed by the public educational entity the board member serves if
24 the board determines that the employment is in the best interest of the
25 public educational entity.

26 (c) Exceptions. (1) Board Approval. (A) In unusual and limited
27 circumstances, a public educational entity's board may approve a contract
28 between the public educational entity and the board member or the member's
29 family if the board determines that the contract is in the best interest of
30 the public educational entity.

31 (B) The approval by the public educational entity's board
32 shall be documented by written resolution after fully disclosing the reasons
33 justifying the contract in an open meeting. The resolution shall state the
34 unusual circumstances necessitating the contract, and shall document the
35 restrictions and limitations of the contract.

36 (C) Any board member directly or indirectly interested in

1 the proposed contract shall leave the meeting until the voting on the issue
2 is concluded, and the absent member shall not be counted as having voted.

3 (2) Independent Approval. (A) If it appears the total
4 transactions with the board member or a family member for a fiscal year
5 total, or will total, five thousand dollars (\$5,000) or more, the
6 superintendent or other chief administrator of the public educational entity
7 shall forward the resolution along with all relevant data to the Director of
8 the Department of Education for independent review and approval. The
9 resolution and other relevant data shall be furnished by certified mail with
10 return receipt requested or other method approved by the State Board of
11 Education to assure adequate notice of receipt by the Department of Education
12 and to provide a record for the school sending the approval request.

13 (B) Upon review of the submitted data, the Director of the
14 Department of Education shall, within ten (10) days of receipt of the
15 resolution and other relevant data, approve or disapprove in writing the
16 board's request. The director may request additional information or
17 testimony before ruling on a request. If additional data is needed for a
18 proper determination, the director shall approve or disapprove the contract
19 within ten (10) days of receipt of the additional requested data. If the
20 director does not respond to the public educational entity within the ten-day
21 period, or request additional time or data for a proper review of the
22 contract, the contract shall be deemed to be approved by the director.

23 (C) If approved, the Director of the Department of
24 Education shall issue an approval letter stating all relevant facts and
25 circumstances considered and any restrictions or limitations pertaining to
26 the approval. The Director of the Department of Education may grant the
27 approval for a particular transaction or a series of related transactions.
28 However, no approval shall be granted for a period greater than two (2)
29 years.

30 (D) No contract subject to the director's review and
31 approval shall be valid or enforceable until an approval letter has been
32 issued by the Director of the Department of Education or the director fails
33 to respond to the public educational entity within the time periods specified
34 in this section.

35 (d) The Department of Education and the public educational entity
36 shall maintain a record and copy of all documentation relating to

1 transactions with board members or members of their family.

2 (e) Any board member or other person knowingly furnishing false
3 information or knowingly not fully disclosing relevant information necessary
4 for a proper determination by the public educational entity or the Director
5 of the Department of Education shall be guilty of violating the provisions of
6 this act.

7
8 SECTION 6. Administrators. (a) General Prohibition. (1) Except as
9 otherwise provided, it is a breach of the ethical standards of this act for
10 an administrator to contract with the public educational entity employing
11 them if the administrator has knowledge that he or she is directly or
12 indirectly interested in the contract.

13 (2) Except as otherwise provided, it is a breach of the ethical
14 standards of this act for an administrator to contract with any public
15 educational entity if the administrator has knowledge that he or she is
16 directly interested in the contract.

17 (b) Family Members as Employees. This act does not prohibit an
18 administrator's family members from being employed by the public educational
19 entity the administrator serves or any other public educational entity.
20 However, beginning July 1, 2002, a member of an administrator's immediate
21 family or former spouse may not be initially employed as a disbursing officer
22 of the public educational entity where the administrator is employed unless
23 the public educational entity receives written approval from the Director of
24 the Department of Education. Before issuing a written approval or denial,
25 the Director of the Department of Education shall request the Division of
26 Legislative Audit to review the internal controls, including the segregation
27 of duties, present at the public educational entity. The Division of
28 Legislative Audit shall report its findings in writing to the Director of the
29 Department of Education.

30 (c) Exceptions. (1) In unusual and limited circumstances and only
31 with prior written approval from the Director of the Department of Education,
32 an administrator may contract with a public educational entity other than the
33 one employing him or her.

34 (2) In unusual and limited circumstances and only with prior
35 written approval from the Director of the Department of Education, an
36 administrator's family members may contract with a public educational entity

1 employing the administrator.

2 (3) An administrator seeking to contract with other public
3 educational entities, or an administrator's family member seeking to contract
4 with the public educational entity employing the administrator, shall first
5 present the request, with all relevant facts and circumstances justifying
6 approval, to the board currently employing the administrator at an open
7 meeting. After reviewing the request in an open meeting, the board may, by
8 written resolution, approve the contract subject to approval by the Director
9 of the Department of Education. A copy of the approval resolution and all
10 relevant data shall be forwarded by the board president to the Director of
11 the Department of Education.

12 (4) Upon review of the submitted data, the Director of the
13 Department of Education shall, within ten (10) days of receipt of the
14 resolution and other relevant data, approve or disapprove in writing the
15 board's request. The director may request additional information or
16 testimony before ruling on a request. If additional data is needed for a
17 proper determination, the director shall approve or disapprove the contract
18 within ten (10) days of receipt of the additional requested data. If the
19 director does not respond to the public educational entity within the ten-day
20 period, or request additional time or data for a proper review of the
21 contract, the contract shall be deemed to be approved by the director.

22 (5) If approved, the approval letter shall state all relevant
23 facts and circumstances considered in the approval and shall state any
24 restrictions or limitations of the approval. The Director of the Department
25 of Education may grant an approval for a particular transaction or a series
26 of related transactions. No approval shall be granted for a period greater
27 than two (2) years.

28 (6) The Department of Education and the public educational
29 entity shall maintain a record and copy of all documentation relating to an
30 exemption from the provisions of this act.

31 (7) No contract subject to this provision shall be valid until
32 approved by the Director of the Department of Education or the director fails
33 to respond to the public educational entity within the time periods specified
34 in this section.

35 (d) Any administrator knowingly furnishing false information or
36 knowingly not fully disclosing relevant information necessary for a proper

1 determination by the public educational entity or the Director of the
2 Department of Education shall be guilty of violating the provisions of this
3 act.

4 (e) For the purposes of this section, the term contract does not apply
5 to employment contracts issued to an administrator of a public educational
6 entity for administrative or other duties such as, but not limited to,
7 teaching, bus driving, or sponsorship of clubs or activities.

8 (f) Nothing in this section prohibits administrators from receiving
9 compensation for officiating school sponsored athletic activities with any
10 public educational entity.

11 (g) Nothing in this section prohibits administrators from receiving
12 compensation for conducting seminars for, or making presentations to, public
13 educational entities other than the one employing them.

14
15 SECTION 7. Employees. (a) General Provision. Except as otherwise
16 provided, it is a breach of the ethical standards of this act for an employee
17 to contract with the public educational entity employing him or her if the
18 employee has knowledge that he or she is directly interested in the contract.

19 (b) Exceptions. (1) Approval by Board. (A) In unusual and limited
20 circumstances, a public educational entity's board may approve a contract
21 between the public educational entity and an employee if the board determines
22 that the contract is in the best interest of the public educational entity.

23 (B) The approval by the public educational entity's board
24 shall be documented by written resolution after fully disclosing the reasons
25 justifying the contract in an open meeting. The resolution shall state the
26 unusual circumstances necessitating the contract, and shall document the
27 restrictions and limitations of the contract.

28 (C) Any board member directly or indirectly interested in
29 the proposed contract shall leave the meeting until the voting on the issue
30 is concluded, and the absent member shall not be counted as having voted.

31 (2) Independent Approval. (A) If it appears that the total
32 transactions with an employee for a fiscal year total, or will total, five
33 thousand dollars (\$5,000) or more, the superintendent or other chief
34 administrator of the public educational entity shall forward the resolution
35 along with all relevant data to the Director of the Department of Education
36 for independent review and approval. The resolution and other relevant data

1 shall be furnished by certified mail with return receipt requested or other
2 method approved by the State Board of Education to assure adequate notice of
3 receipt by the Department of Education and to provide a record for the school
4 sending the approval request.

5 (B) Upon review of the submitted data, the Director of the
6 Department of Education shall, within ten (10) days of receipt of the
7 resolution and other relevant data, approve or disapprove in writing the
8 board's request. The director may request additional information or
9 testimony before ruling on a request. If additional data is needed for a
10 proper determination, the director shall approve or disapprove the contract
11 within ten (10) days of receipt of the additional requested data. If the
12 director does not respond to the public educational entity within the ten-day
13 period, or request additional time or data for a proper review of the
14 contract, the contract shall be deemed to be approved by the director.

15 (C) If approved, the Director of the Department of
16 Education shall issue an approval letter stating all relevant facts and
17 circumstances considered and any restrictions or limitations pertaining to
18 the approval. The Director of the Department of Education may grant the
19 approval for a particular transaction or a series of related transactions.
20 However, no approval shall be granted for a period greater than two (2)
21 years.

22 (D) No contract subject to the director's review and
23 approval shall be valid or enforceable until an approval letter has been
24 issued by the Director of the Department of Education or the director fails
25 to respond to the public educational entity within the time periods specified
26 in this section.

27 (c) The Department of Education and the public educational entity
28 shall maintain a record and copy of all documentation relating to
29 transactions with employees.

30 (d) Any employee or other person knowingly furnishing false
31 information, or knowingly not fully disclosing relevant information necessary
32 for a proper determination by the public educational entity or the Director
33 of the Department of Education, shall be guilty of violating the provisions
34 of this act.

35 (e) For the purposes of this section, the term contract does not apply
36 to employment contracts issued to public educational entity employees or

1 other transactions for the performance of teaching or other related duties
2 such as, but not limited to, bus driving, sponsorship of clubs or activities,
3 or working at school sponsored events.

4 (f) Technology Employees. All transactions involving the purchase,
5 lease, acquisition, or other use of computers, software, copiers, or other
6 electronic devices from family members of an employee responsible for
7 establishing specifications or approving purchases of such equipment shall be
8 approved according to the requirements of this section regarding the purchase
9 from an employee with a direct interest in the transaction.

10
11 SECTION 8. Reimbursement of expenses. Nothing in this act prevents
12 board members, administrators, or employees from being reimbursed by the
13 appropriate public educational entity for necessary and documented travel or
14 other job related expenses.

15
16 SECTION 9. Emergency purchases. (a) The provisions of this act do
17 not apply to emergency purchases.

18 (b) Emergency purchases shall only be used for the preservation of
19 life, health, or public property, and shall not be used to substantially
20 improve the condition of an asset prior to the emergency.

21 (c) Each public educational entity shall maintain records and copies
22 of all documentation relating to and supporting a determination that
23 transactions qualify as emergency purchases.

24 (d) Any person using emergency purchases to avoid the intent of this
25 act shall be guilty of violating the provisions of this act.

26
27 SECTION 10. General ethical standards for non-employees. Any effort
28 by a non-employee to influence any public educational entity board member,
29 administrator, or employee to breach the standards of ethical conduct stated
30 in this act is a breach of ethical standards and punishable under the
31 criminal penalties set forth in this act.

32
33 SECTION 11. Restrictions on employment of present and former
34 administrators. (a) Unless written approval is granted by the Director of
35 the Department of Education, it is a breach of the ethical standards of this
36 act for administrators to be or become the employee, agent, or independent

1 contractor of any party contracting with the public educational entity they
2 serve. The director's approval letter shall be filed with, and maintained
3 by, the public educational entity employing the administrator.

4 (b) Unless written approval is granted by the Director of the
5 Department of Education, it is a breach of the ethical standards of this act
6 for administrators to engage in selling or attempting to sell commodities or
7 services to the public educational entity they served or were employed for
8 one (1) year following the date employment or service ceased.

9
10 SECTION 12. Gratuities and kickbacks. (a) It is a breach of the
11 ethical standards for any person to offer, give, or agree to give any board
12 member, administrator, or employee, a gratuity or an offer of employment in
13 connection with any contract or transaction of a public educational entity.

14 (b) It is a breach of the ethical standards for any board member,
15 administrator, or employee to solicit, demand, accept, or agree to accept
16 from another person or entity a gratuity or an offer of employment in
17 connection with any contract or transaction of a public educational entity.

18 (c) It is a breach of the ethical standards for any payment, gratuity,
19 or offer of employment to be made by or on behalf of a person or entity as an
20 inducement for the award of a contract or transaction with a public
21 educational entity.

22 (d) The State Board of Education shall issue specific rules and
23 regulations regarding educational or work-related travel, conventions,
24 seminars, and other benefits provided by vendors.

25
26 SECTION 13. Awards and grants. Nothing in this act prohibits
27 administrators or employees of public educational entities from receiving
28 monetary or other awards, grants or benefits from entities generally
29 recognized as providing benefits based upon exceptional skills or exemplary
30 contributions to education.

31
32 SECTION 14. Administrative remedies applicable to administrators and
33 employees. (a) The Department of Education may review alleged violations of
34 this act. If the department reviews the allegations and the Director of the
35 Department of Education determines that there is adequate evidence of a
36 violation, the director may refer the allegations to the Board of Education

1 for review. Upon the Board of Education's approval to review the alleged
 2 violation, and after reasonable notice in writing to all parties, the board
 3 may schedule a hearing to determine if an administrator or employee has
 4 knowingly violated the provisions of this act. After presentation of all
 5 evidence, if the Board of Education determines that the administrator or
 6 employee knowingly violated the provisions of this act, the Board of
 7 Education may provide any or all of the following administrative remedies:

8 (1) Issue a letter of reprimand; or

9 (2) Suspend or revoke the administrator's or teacher's Arkansas
 10 teaching license for a definite period, or permanently.

11 (b) After reasonable notice and opportunity for a hearing, a board of
 12 a public educational entity may take appropriate administrative remedies
 13 against an administrator or employee that has allegedly violated the
 14 provisions of this act. If an administrator or employee of a public
 15 educational entity is charged by the prosecuting attorney for a possible
 16 violation of this act, the public educational entity's board may, after
 17 reasonable notice and opportunity for a hearing, place the individual charged
 18 on leave, with or without pay, dismiss the individual, or provide any other
 19 proper administrative remedy. If the individual is dismissed by the board
 20 due to charges being filed for an alleged violation of this act, any
 21 employment contracts with the public educational entity shall be deemed void
 22 from the date of the action of the board.

23
 24 SECTION 15. Criminal penalties. Any board member, administrator,
 25 employee, or non-employee who shall knowingly violate the provisions of this
 26 act shall be guilty of a felony. Upon pleading guilty or nolo contendere to,
 27 or being found guilty of, violating this act, the court shall order
 28 restitution to the public educational entity. In addition, the court may
 29 fine the violator in any sum not to exceed the greater of ten thousand
 30 dollars (\$10,000) or double the dollar amounts involved in the transactions,
 31 sentence the violator to prison for not more than five (5) years, or may
 32 impose both a fine and imprisonment.

33
 34 SECTION 16. Request for review of transactions. At the request of a
 35 board of a public educational entity, the executive administrator at a public
 36 educational entity, the Director of the Department of Education, the

1 Legislative Joint Auditing Committee, or the appropriate prosecuting attorney
2 shall review contracts or transactions for compliance with the provisions of
3 this act.

4
5 SECTION 17. Board position vacant upon conviction. If a board member
6 is found guilty of violating the provisions of this act, the board member
7 shall immediately cease to be a board member, the position is declared
8 vacant, and a replacement shall be named as provided as by law.

9
10 SECTION 18. Enforcement. (a) It shall be the duty and responsibility
11 of the prosecuting attorneys to supervise compliance with this act and
12 prosecute persons who violate the act.

13 (b) If the prosecuting attorney fails or refuses to enforce this act
14 when the facts are known by the prosecuting attorney, or called to his or her
15 attention, the Attorney General or any citizen of this state may bring
16 mandamus proceedings to compel the prosecuting attorney to perform his or her
17 duties.

18 (c) All criminal actions related to alleged violations of this act
19 shall be filed in circuit court and shall be subject to the criminal rules
20 and procedures of this state.

21
22 SECTION 19. Rules and regulations. In order to administer the
23 provisions of this act, the State Board of Education shall adopt rules and
24 regulations consistent with the provisions and intent of this act.

25
26 SECTION 20. Arkansas Code 6-13-617(a) is amended to read as follows:

27 (a) Each director elected or appointed shall, within ten (10) days
28 after receiving notice of his election or appointment, subscribe to the
29 following oath:

30 "I,, do hereby solemnly swear or affirm, that I will
31 support the Constitution of the United States and the Constitution of the
32 State of Arkansas, and that I will not be interested, directly or indirectly,
33 in any contract made by the district of which I am a director, except ~~that~~
34 ~~said contract be for materials bought on open competitive bid and let to the~~
35 ~~lowest bidder~~ as permitted by state law and that I will faithfully discharge
36 the duties as school director in School District, No.of

1 County, Arkansas, upon which I am about to enter."
2

3 SECTION 21. Repealer. Arkansas Code 6-21-601, 602, and 603 are hereby
4 repealed.

5 ~~6-21-601. School officials prohibited from having interest in sales
6 of school supplies.~~

7 ~~(a) It shall be unlawful for any member of the State Board of
8 Education, the Director of the Department of Education, the State Board of
9 Workforce Education and Career Opportunities, the Director of the Department
10 of Workforce Education, or a member of any city, county, district, local, or
11 special board of education having supervision over any public schools of this
12 state or any employee or agent of those persons to be interested directly or
13 indirectly in the sale of any books, foods, supplies, commodities, or
14 materials of whatsoever kind or character sold to and purchased by any state,
15 city, county, district, local, or special board of education of which that
16 person may be a member.~~

17 ~~(b) It shall be unlawful for that person to receive directly or
18 indirectly any pecuniary reward, pay, or emolument for his services or
19 influence in recommending or voting for the purchase of any book, article,
20 commodity, or material to be or having been purchased by the board of which
21 he may be a member. It is the intent and purpose of this section to prevent
22 any member of any board herein named or their agents or employees from
23 directly or indirectly receiving any pecuniary reward or profit from the
24 purchase and sale of any article by the board of which he may be a member.~~

25 ~~(c) It shall be unlawful for any purchasing agent, buyer, supervisor,
26 principal, or other employee of any state, city, county, district, or local
27 school district board having supervision or control over any public school to
28 purchase for or on the behalf of such school, or for resale to the school,
29 any book, food, supplies, commodities, or materials of whatever nature from
30 any person, firm, or corporation with which or with whom any member of the
31 board shall, directly or indirectly, be associated with or receive any
32 pecuniary remuneration therefrom.~~

33 ~~(d) It shall be unlawful for any person serving as a member of any
34 state, city, county, district, or local school board to be or become
35 interested directly or indirectly in the profits or purchase price received
36 by any person, firm, or corporation from the sale of any food, supplies,~~

1 ~~commodities, books, or materials of whatsoever kind or character sold to any~~
 2 ~~school board of which such person may be a member, or sold to any purchasing~~
 3 ~~agent of the board, or to any other person purchasing goods with the intent~~
 4 ~~and for the purpose of selling or reselling the goods to the board.~~

5 ~~(e) Any school official herein mentioned who shall violate any of the~~
 6 ~~provisions of this section shall, upon conviction, be deemed guilty of a~~
 7 ~~misdemeanor and fined not less than fifty dollars (\$50.00) nor more than five~~
 8 ~~hundred dollars (\$500) and, in addition to the fine, shall be removed from~~
 9 ~~office by the judge before whom the case may be heard.~~

10 ~~6-21-602. School officials prohibited from acting as agent or~~
 11 ~~representative of suppliers, etc. [Effective July 1, 2000.]~~

12 ~~(a) No member of the State Board of Education, the Director of the~~
 13 ~~Department of Education, the Director of the Department of Workforce~~
 14 ~~Education, school superintendent, or any employee of any of them shall act as~~
 15 ~~agent or representative of any author or book seller seeking to sell any~~
 16 ~~school books to the state or to any school district or directly or indirectly~~
 17 ~~to receive any emolument, reward, or premium for his service or influence in~~
 18 ~~recommending or procuring the use of any book, school apparatus, or furniture~~
 19 ~~of any kind in any public school.~~

20 ~~(b) Any school official who shall violate this act shall be guilty of~~
 21 ~~a misdemeanor and removed from office and liable to a fine not exceeding five~~
 22 ~~hundred dollars (\$500).~~

23 ~~6-21-603. Interest in certain contracts unlawful — Exception.~~

24 ~~(a) It shall be unlawful for any member of the school board of any~~
 25 ~~district to be interested directly or indirectly in any contract or purchase~~
 26 ~~made by the district of which he is a director if the contract or purchase is~~
 27 ~~for an amount in excess of five hundred dollars (\$500).~~

28 ~~(b) However, this prohibition shall not apply to contracts for~~
 29 ~~materials bought on open competitive bid and let to the lowest bidder.~~

30
 31 *SECTION 22. Arkansas Code 21-8-701(a) is amended to read as follows:*

32 *(a) The following persons shall file a written statement of financial*
 33 *interest:*

- 34 *(1) A public official, as defined in § 21-8-402(16);*
 35 *(2) A candidate for elective office;*
 36 *(3) A municipal judge or city attorney, whether elected or*

1 appointed;

2 (4) Any agency head, department director, or division director
3 of state government;

4 (5) Any public appointee to any state board or commission who is
5 authorized or charged by law with the exercise of regulatory authority or is
6 authorized to receive or disburse state or federal funds;

7 (6) All persons who are elected members of a school board or who
8 are candidates for a position on a school board; ~~and~~

9 (7) All public and charter school superintendents,

10 (8) Directors of educational cooperatives, and

11 ~~(7)(9)~~ Any person appointed to one (1) of the following types of
12 regional, municipal, or county boards or commissions:

13 (A) A planning board or commission;

14 (B) An airport board or commission;

15 (C) A water or sewer board or commission;

16 (D) A utility board or commission; or

17 (E) A civil service commission.

18 /s/ Fitch, et al.

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APPROVED: 4/13/2001

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