

2 State of Arkansas
3 91st General Assembly
4 Third Extraordinary Session, 2018

A Bill

MBM/MBM
HOUSE BILL

5
6 By: Representative Hammer

7 Filed with: House Committee on State Agencies and Governmental Affairs
8 pursuant to A.C.A. §10-3-217.

9 For An Act To Be Entitled

10 AN ACT CONCERNING THE PROCESS FOR REPORTING POTENTIAL
11 CONFLICTS OF INTEREST BY MEMBERS OF THE GENERAL
12 ASSEMBLY; TO AMEND A PORTION OF THE ARKANSAS CODE
13 THAT RESULTED FROM INITIATED ACT 1 OF 1988; TO
14 DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

16 Subtitle

17 CONCERNING THE PROCESS FOR REPORTING
18 POTENTIAL CONFLICTS OF INTEREST BY
19 MEMBERS OF THE GENERAL ASSEMBLY; TO AMEND
20 A PORTION OF THE ARKANSAS CODE THAT
21 RESULTED FROM INITIATED ACT 1 OF 1988;
22 AND TO DECLARE AN EMERGENCY.

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

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28 SECTION 1. Arkansas Code § 21-8-803, resulting from Initiated Act 1 of
29 1988, is amended to add an additional subsection to read as follows:

30 (d)(1) This section does not apply to a bill sponsor who has a
31 potential conflict of interest under § 21-8-805.

32 (2) A bill sponsor who has a potential conflict of interest
33 shall comply with § 21-8-805.

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35 SECTION 2. Arkansas Code Title 21, Chapter 8, Subchapter 8, is amended
36 to add an additional section to read as follows:

1 21-8-805. Members of General Assembly – Potential conflicts of
2 interest when sponsoring legislation.

3 (a)(1) As used in this section, "bill sponsor who has a potential
4 conflict of interest" means a member of the General Assembly who files
5 legislation for consideration by the General Assembly that may affect his or
6 her financial interest or cause financial benefit or detriment to the member,
7 or a business in which he or she is an officer, director, stockholder owning
8 more than ten percent (10%) of the stock of the company, owner, trustee,
9 partner, or employee, that is distinguishable from the effects of the
10 legislation on the public generally or a broad segment of the public.

11 (2) "Bill sponsor who has a potential conflict of interest"
12 includes without limitation a member of the General Assembly who receives
13 compensation in exchange for advice, consultation, or similar guidance for
14 which they are primarily responsible if legislation filed for consideration
15 by the General Assembly by a bill sponsor who has a potential conflict of
16 interest would affect the interest of a client of the bill sponsor who has a
17 potential conflict of interest providing advice, consultation, or similar
18 guidance in a manner distinguishable from the effect of the legislation on
19 the public generally or a broad segment of the public.

20 (b) A bill sponsor who has a potential conflict of interest shall
21 prepare and file a written statement describing the legislation at issue and
22 stating the potential conflict of interest with:

23 (1)(A) The Secretary of State.

24 (B) The Secretary of State shall file the written
25 statement under subdivision (b)(1)(A) of this section with the statement of
26 financial interest of the bill sponsor who has a potential conflict of
27 interest.

28 (C) The written statement shall be delivered to the
29 Secretary of State:

30 (i) In person by the bill sponsor who has a
31 potential conflict of interest;

32 (ii) By mail;

33 (iii) By electronic mail; or

34 (iv) In person by a person authorized by the bill
35 sponsor who has a potential conflict of interest to deliver the copy; and

1 (2)(A) The Chief Clerk of the House of Representatives if the
2 bill sponsor who has a potential conflict of interest is a member of the
3 House of Representatives, or the Secretary of the Senate if the bill sponsor
4 who has a potential conflict of interest is a member of the Senate.

5 (B) The written statement under subdivision (b)(2)(A) of
6 this section shall be filed at the same time the bill is filed.

7 (C) The Chief Clerk of the House of Representatives or the
8 Secretary of the Senate, as appropriate, shall keep the written statement
9 with the legislation that it concerns.

10 (c) A written statement under this section is not required to be
11 signed before a notary public.

12 (d)(1) Completion of a written statement under subsection (b) of this
13 section does not require a bill sponsor who has a potential conflict of
14 interest to breach a privilege or written ethics code applicable to the
15 profession of the bill sponsor who has a potential conflict of interest.

16 (2) A written statement shall identify the potential conflict of
17 interest in as much detail as possible without breaching an applicable
18 privilege or written ethics code.

19 (e)(1) When legislation for which a written statement has been filed
20 under subsection (b) of this section is considered by a committee of the
21 General Assembly, a copy of the written statement shall be distributed to
22 each member of the committee at the time the legislation is presented to the
23 committee.

24 (2) If a bill sponsor who has a potential conflict of interest
25 fails to file a written statement under subsection (b) of this section:

26 (A) A member of a committee of the General Assembly to
27 which the bill is referred may object to the bill's being called up for final
28 action in the committee until a copy of the written statement is made
29 available to the committee; and

30 (B) A member of the House of Representatives or the Senate
31 may object to the bill's being called up for final passage in his or her
32 respective chamber until a written statement is prepared and made available
33 on the desk of each member of the respective chamber before the bill is
34 called up for final passage.

35 (f)(1) A person who purposely violates this section is upon conviction
36 guilty of a Class A misdemeanor.

1 (2)(A) In addition to the penalties imposed under subdivision
2 (f)(1) of this section, the Arkansas Ethics Commission may investigate
3 complaints or allegations of purposeful violations of this section and issue
4 findings on those complaints or allegations.

5 (B) When conducting investigations under subdivision
6 (f)(2)(A) of this section, the commission has all authority under §§ 7-6-217
7 and 7-6-218.

8 (3)(A) The commission shall promulgate rules to implement this
9 section, including without limitation the preparation of forms and documents
10 necessary for compliance with this section.

11 (B) The form developed by the commission to comply with
12 subsection (b) of this section shall include without limitation:

13 (i) The name of the bill sponsor who has a potential
14 conflict of interest;

15 (ii) A description of the legislation at issue; and

16 (iii) A statement of the potential conflict of
17 interest.

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19 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
20 General Assembly of the State of Arkansas that this legislation affects the
21 ethical duties of a member of the General Assembly when filing legislation
22 that presents a potential conflict of interest for the member; and that this
23 act should become effective at the earliest opportunity to ensure that the
24 General Assembly conducts its proceedings in a manner that avoids conflicts
25 of interest among its membership and ensures that legislation is enacted in a
26 transparent manner. Therefore, an emergency is declared to exist, and this
27 act being immediately necessary for the preservation of the public peace,
28 health, and safety shall become effective on:

29 (1) The date of its approval by the Governor;

30 (2) If the bill is neither approved nor vetoed by the Governor,
31 the expiration of the period of time during which the Governor may veto the
32 bill; or

33 (3) If the bill is vetoed by the Governor and the veto is
34 overridden, the date the last house overrides the veto.

1 Referred by Representative Hammer

2 Prepared by: MBM/KFW

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