

# Hall of the House of Representatives

86th General Assembly - Regular Session, 2007

## Amendment Form

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### Subtitle of House Bill No. 2726

"AN ACT TO AMEND ARKANSAS LAW CONCERNING THE DISCLOSURE OF RELATED PARTY TRANSACTIONS."

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### Amendment No. 1 to House Bill No. 2726.

Amend House Bill No. 2726 as originally introduced:

Delete everything following the enacting clause and substitute the following:

"SECTION 1. Arkansas Code Title 21, Chapter 8 is amended to add an additional subchapter to read as follows:

21-8-1101. Definitions.

As used in this subchapter:

(1) "Board member" means a member of any state board, bureau, commission, or institution of the State of Arkansas;

(2) "Directly or indirectly interested" means the receipt of compensation or other benefits by a:

(A) Board member;

(B) Family member; or

(C) Business or other entity in which the board member or family member has a financial interest;

(3) "Family" or "family member" means:

(A) An individual's spouse;

(B) Children of the individual or children of the individual's spouse;

(C) The spouse of a child of the individual or the spouse of a child of the individual's spouse;

(D) Parents of the individual or parents of the individual's spouse;

(E) Brothers and sisters of the individual or brothers and sisters of the individual's spouse;

(F) Anyone living or residing in the same residence or household with the individual or in the same residence or household with the individual's spouse; or

(G) Anyone acting or serving as an agent of the individual or as an agent of the individual's spouse;

(4) "Financial interest" means:

(A) Ownership of more than a five percent (5%) interest in a business or other entity;

(B) Holding a position as an officer, director, trustee,



partner, or other top level management of a business or other entity; or

(C) Classification as an employee, agent, independent contractor, or any position where the individual's compensation is based, in whole or in part, on transactions with the public educational entity;

(5) "Institution" means any state-supported institution of higher education of the State of Arkansas or its related foundations or other related entities;

(6) "Other related entity" means:

(A) Any foundation or other entity established for the sole benefit of the public agency or institution;

(B) An entity owned by the public agency or institution or one of its foundations; or

(C) An entity receiving grants or aid from or through the public agency or institution;

(7) "Public agency" means any state agency, bureau, commission, institution, board, or constitutional agency of the State of Arkansas; and

(8) "Transaction" means a contract, exchange, promise, financial relationship, or any other agreement.

21-8-1102. Filing of disclosure of related party transactions.

(a) Between January 1 and January 31 of each year, a board member shall file a disclosure of related party transactions with the Secretary of State.

(b) A board member shall disclose any transaction with another board member, the public agency, other related entity, or an entity served by the public agency if the board member directly or indirectly receives a benefit in the amount of five thousand dollars (\$5,000) or more:

(1) In any calendar year;

(2) In a twelve (12) month period; or

(3) At a predetermined point in the future.

(c) Upon the initial filing of the disclosure of related party transactions, a board member shall disclose any transactions with another board member or the public agency or other related entity where the board member is directly or indirectly receiving a benefit in the amount of five thousand dollars (\$5,000) in any of the three (3) previous calendar years.

(d) Nothing in this section shall require board members to disclose the amount of donations to public agencies or their related entities.

(e)(1) The Secretary of State shall develop forms to assure compliance with this subchapter.

(2) The content of the forms shall include without limitation the nature and amount of the transactions and the names of the parties to the transactions.

(f) The filing of disclosure of related party transactions shall also include transactions by board members with public agencies or other related entity involving patents, copyrights, or other proprietary information belonging in whole or in part to:

(1) The public agency;

(2) An entity served by the public agency; or

(3) An entity with which the public agency or an entity served by the public agency is actively involved in research."

**The Amendment was read** \_\_\_\_\_  
**By: Representative Petrus**  
**MBM/CDS - 03-13-2007 11:48** \_\_\_\_\_  
**MBM658** **Chief Clerk**