1 State of Arkansas A Bill 2 83rd General Assembly HOUSE BILL 2562 3 Regular Session, 2001 4 5 By: Representatives Hathorn, Gillespie 6 7 For An Act To Be Entitled 8 AN ACT TO AMEND ARKANSAS CODE 21-8-801 TO CLARIFY THE 9 RECEIVING OF GIFTS OR COMPENSATION BY PUBLIC SERVANTS: 10 11 TO AMEND ARKANSAS CODE 21-8-604 TO CLARIFY WHEN A 12 LOBBYIST IS REQUIRED TO PROVIDE AN ITEMIZED LISTING OF FOOD, TRAVEL, AND LODGING; AND FOR OTHER PURPOSES. 13 14 **Subtitle** 15 16 TO AMEND ARKANSAS CODE 21-8-801 AND ARKANSAS CODE 21-8-604 TO CLARIFY THE 17 18 RECEIVING OF GIFTS OR COMPENSATION BY 19 PUBLIC SERVANTS, AND WHEN A LOBBYIST IS REQUIRED TO PROVIDE AN ITEMIZED LISTING 20 OF FOOD, TRAVEL, AND LODGING. 21 22 23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS: 24 25 26 SECTION 1. Arkansas Code 21-8-801 is amended to read as follows: 21-8-801. Prohibited acts generally. 27 28 No public servant shall: 29 (1) Receive a gift or compensation as defined in subchapter 4 of this chapter, other than income and benefits from the governmental body to which he 30 31 or she is duly entitled, in exchange for the performance of the duties and 32 responsibilities of his or her office or position; 33 (2) Purposely use or disclose to any other person or entity confidential government information acquired by him or her in the course of 34 35 and by reason of the public servant's official duties, to secure anything of 36 material value or benefit for himself or herself or his or her family.

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2	SECTION 2. Arkansas Code 21-8-604(b) is amended to read as follows:
3	(b) The reports shall contain:
4	(1)(A) The total of all expenditures made or incurred by the
5	registered lobbyist or on behalf of the registered lobbyist by his or her
6	employer or any officer, employee, or agent during the preceding period.
7	(B) These totals shall be itemized according to financial
8	category and employers and clients, including food and refreshments,
9	entertainment, living accommodations, advertising, printing, postage, travel,
10	tel ephone, and other expenses or services.
11	(C) Registered Lobbyists shall not be required to report
12	office expenses other than office expenses specifically required to be
13	reported under this section.
14	(D) Registered Lobbyists are not required to report
15	unreimbursed personal living and travel expenses not incurred directly for
16	I obbyi ng;
17	(2)(A) An itemized listing of each:
18	(i) Gift given to a public servant or on behalf of
19	the public servant;
20	(ii) Payment for food, lodging, or travel in excess
21	of forty dollars (\$40.00) on behalf of a public servant. The itemized listing
22	shall only be required if the lobbyist personally spends in excess of forty
23	dollars (\$40.00). The lobbyist shall not be required to provide an itemized
24	listing of the food, lodging, or travel merely because the aggregate value
25	spent by two (2) or more lobbyists exceeds forty dollars (\$40.00); and
26	(iii) Any other item paid or given to a public
27	servant or on behalf of the public servant, except for campaign contributions,
28	having a value in excess of forty dollars (\$40.00) unless consideration of
29	equal or greater value has been given therefor. If the person receiving or to
30	be benefiting by the item is a public employee, the person's governmental body
31	shall be identified.
32	(B) Each item shall be identified by date, amount paid or
33	value, and the name of the individual receiving or to be benefited by the
34	item, and a description of the item.
35	(C) In the case of special events, including parties,

dinners, athletic events, entertainment, and other functions, expenses need

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- not be allocated by individuals, but the date of the event, location, name of the governmental body or groups of public servants invited, and total expense shall be stated;
  - (3) A detailed statement of any money Loaned or promised or line of credit established to a public servant or to anyone on behalf of the public servant in excess of twenty-five dollars (\$25.00) per individual. Money Loaned or a line of credit established that is issued in the ordinary course of business by a financial institution or a person who regularly and customarily extends credit shall not be required to be disclosed; and
  - (4) A statement detailing the direct business association or partnership with any public servant before whom the lobbyist may engage in lobbying.

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14 SECTION 3. It is hereby found and determined by the Eighty-third 15 General Assembly that the Arkansas Ethics Commission has misinterpreted the 16 legislative intent with regard to Arkansas Code 21-8-801(1) and Arkansas Code 17 21-8-604. The Arkansas Ethics Commission interpreted Arkansas Code 21-8-801 18 to prohibit the reception of gifts or compensation by a public servant if the 19 gift or compensation is conferred upon the public servant based solely on the 20 person's status as a public servant. The Arkansas Ethics Commission reached 21 this decision based upon the fact that Arkansas Code 5-52-103 and Arkansas 22 Code 5-52-104 provide for the unlawfulness of receiving gifts and compensation 23 on a quid pro quo basis and therefore, it must have been the legislature's 24 intent to enact a dissimilar law with respect to Arkansas Code 21-8-801. However, it is the intent of <u>the General Assembly that Arkansas Code 21-8-801</u> 25 26 be interpreted to prohibit the receiving of gifts and compensation by public 27 servants as a form of quid pro quo and not based upon the person's status as a public servant. The Arkansas <u>Ethics Commission also interpreted Arkansas Code</u> 28 29 21-8-604 to require lobbyists to report an itemized listing of food, lodging, 30 and travel if the aggregate value spent by two (2) or more lobbyists on food, lodging, and travel exceeds forty dollars (\$40.00). However, it is the intent 31 32 of the General Assembly that a lobbyist shall only be required to report an 33 expenditure on food, lodging, or travel if the amount spent by each lobbyist exceeds forty dollars (\$40.00). The provisions of this act must go into 34 35 immediate effect in order to prevent inequitable harm to public servants and 36 lobbyists. Therefore, an emergency is declared to exist and this act being

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1	immediately necessary for the preservation of the public peace, health and
2	safety shall become effective on the date of its approval by the Governor. If
3	the bill is neither approved nor vetoed by the Governor, it shall become
4	effective on the expiration of the period of time during which the Governor
5	may veto the bill. If the bill is vetoed by the Governor and the veto is
6	overridden, it shall become effective on the date the last house overrides the
7	veto.
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