

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

A Bill

SENATE BILL 105

5 By: Senators Bisbee, Riggs
6 By: Representatives Gillespie, Hathorn, Hunt
7

For An Act To Be Entitled

8
9
10 AN ACT TO AMEND VARIOUS SECTIONS OF ARKANSAS CODE
11 TITLE 21, CHAPTER 8, CONCERNING ETHICS AND CONFLICTS
12 OF INTEREST; AND FOR OTHER PURPOSES.
13

Subtitle

14
15 AN ACT CONCERNING ETHICS AND CONFLICTS
16 OF INTEREST.
17

18
19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
20

21 SECTION 1. Findings and Intent.

22 (a)(1) The "Disclosure Act for Lobbyists and State Officials" adopted
23 by the people as Initiated Act 1 of 1988 applied only to state government. At
24 that time local officials were subject to the financial disclosure
25 requirements of Sections 2, 5, and 6 of Act 570 of 1979 [Repealed].
26 Subsequent legislation subjected local officials to the requirement of
27 Initiated Act 1 of 1988.

28 (2) The Initiated Act was designed for state government and has
29 not been well suited to local government.

30 (b)(1) It is the purpose of this act to:

31 (A) Remove local government officials from coverage under
32 Arkansas Code 21, Chapter 8, Subchapters 4 through 8, originally adopted as
33 Initiated Act 1 of 1988; and

34 (B) Establish financial disclosure requirements for local
35 officials based on the requirement in existence prior to local officials being
36 included under Arkansas Code 21, Chapter 8, Subchapters 4 through 8; and

1 (2) It is also the purpose of this act to make revisions in
 2 Arkansas Code 21, Chapter 8, Subchapters 4 through 8 that are necessary to
 3 simplify the law and make it easier to apply.

4
 5 SECTION 2. The heading for Arkansas Code Title 21, Chapter 8,
 6 Subchapter 4 is amended to read as follows:

7 Subchapter 4 — Disclosure by Lobbyists and State ~~and Local~~ Officials —
 8 General Provisions

9
 10 SECTION 3. Arkansas Code 21-8-401 is amended to read as follows:

11 21-8-401. Title.

12 Subchapters ~~4, 5 [repealed],~~ and 6-8 of this chapter may be referred to
 13 and cited as "The Disclosure Act for Lobbyists and State ~~and Local~~ Officials".

14
 15 SECTION 4. Arkansas Code 21-8-402 is amended to read as follows:

16 21-8-402. Definitions.

17 As used in subchapters ~~4, 5 [repealed],~~ and 6-8 of this chapter, unless
 18 the context otherwise requires:

19 (1)(A) "Administrative action" means any decision on, or
 20 proposal, consideration, or making of any rule, regulation, ratemaking
 21 proceeding, or policy action by a governmental body.

22 (B) "Administrative action" does not include ministerial
 23 action;

24 (2) "Business" means any corporation, partnership, sole
 25 proprietorship, firm, enterprise, franchise, association, organization, self-
 26 employed individual, receivership, trust, or any legal entity through which
 27 business is conducted;

28 ~~(3) "County government" means any office, department, commission,~~
 29 ~~council, board, bureau, committee, legislative body, agency, or other~~
 30 ~~establishment of a county;~~

31 ~~(4)~~(3) "Family" means an individual's spouse, children of that
 32 individual or his or her spouse, or brothers, sisters, or parents of the
 33 individual or his or her spouse;

34 ~~(5)~~(4)(A) "Gift" means any payment, entertainment, advance,
 35 services, or anything of value, unless consideration of equal or greater value
 36 has been given therefor.

1 (B) The term "gift" does not include:

2 (i)(a) Informational material such as books, reports,

3 pamphlets, calendars, or periodicals informing a public ~~servant~~ official

4 regarding his or her official duties.

5 (b) Payments for travel or reimbursement for

6 any expenses are not informational material;

7 (ii) The giving or receiving of food, lodging, or

8 travel which bears a relationship to the public ~~servant's~~ official's office

9 and when appearing in an official capacity;

10 (iii) Gifts which are not used and which, within

11 thirty (30) days after receipt, are returned to the donor;

12 (iv) Gifts from an individual's spouse, child,

13 parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-

14 law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse

15 of any of these persons, unless the person is acting as an agent or

16 intermediary for any person not covered by this paragraph;

17 (v) Campaign contributions;

18 (vi) Any devise or inheritance; or

19 ~~(vii) Anything with a value of one hundred dollars~~

20 ~~(\$100) or less; or~~

21 ~~(viii)~~ (vii) Wedding presents;

22 ~~(6)~~(5) "Governmental body" means any office, department,

23 commission, council, board, committee, legislative body, agency, or other

24 establishment of the executive, judicial, or legislative branch of the state,

25 ~~municipality, county, school district, improvement district, or any political~~

26 ~~district or subdivision thereof;~~

27 ~~(7)~~(6) "Income" or "compensation" means any money or anything of

28 value received, or to be received as a claim for future services, whether in

29 the form of a retainer, fee, salary, expense, allowance, forbearance,

30 forgiveness, interest, dividend, royalty, rent, or any other form of

31 recompense or any combination thereof;

32 ~~(8)~~(7) "Legislative action" means introduction, sponsorship,

33 consideration, debate, amendment, passage, defeat, approval, veto, or any

34 other official action or nonaction on any bill, ~~ordinance,~~ law, resolution,

35 amendment, nomination, appointment, report, or other matter pending or

36 proposed before a committee or house of the General Assembly, ~~a quorum court,~~

~~or a city council or board of directors of a municipality;~~

~~(9)(8) "Legislator" means any person who is a member of the General Assembly, a quorum court of any county, or the city council or board of directors of any municipality;~~

~~(10)(9) "Lobbying" means communicating directly or soliciting others to communicate with any public servant official or employee of any governmental body with the purpose of influencing legislative action or administrative action;~~

~~(11)(10) "Lobbyist" means a person who:~~

~~(A) Receives income or reimbursement in a combined amount of two hundred fifty dollars (\$250) or more in a calendar quarter for lobbying one (1) or more governmental bodies; or~~

~~(B) Expends two hundred fifty dollars (\$250) or more in a calendar quarter for lobbying one (1) or more governmental bodies, excluding the cost of personal travel, lodging, meals, or dues; or~~

~~(C) Expends two hundred fifty dollars (\$250) or more in a calendar quarter, including postage, for the express purpose of soliciting others to communicate with any public servant official to influence any legislative action or administrative action of one (1) or more governmental bodies unless the communication has been filed with the Secretary of State or the communication has been published in the news media. If the communication is filed with the Secretary of State, the filing shall include the approximate number of recipients;~~

~~(12) "Municipal government" means any office, department, commission, council, board, bureau, committee, legislative body, agency, or other establishment of a municipality;~~

~~(13)(11) "Person" means a business, individual, corporation, union, association, firm, partnership, committee, club, or other organization or group of persons;~~

~~(14)(A) "Public appointee" means an individual who is appointed to a governmental body.~~

~~(B) "Public appointee" shall not include an individual appointed to an elective office;~~

~~(15)(A) "Public employee" means an individual who is employed by a governmental body or who is appointed to serve a governmental body.~~

~~(B) "Public employee" shall not include public officials or~~

1 ~~public appointees;~~

2 ~~(16)~~(12) "Public official" means a legislator or any other person
 3 holding an elective office of ~~any governmental body, whether elected or~~
 4 ~~appointed to the office, and shall include such persons during the time period~~
 5 ~~between the date they were elected and the date they took office~~ state
 6 government or any agency head, department director or division director of
 7 state government or any appointee to any state board or commission who is
 8 authorized or charged by law with the exercise of regulatory authority or is
 9 authorized to receive or disburse state or federal funds;

10 ~~(17)~~ "Public servant" means ~~all public officials, public~~
 11 ~~employees, and public appointees;~~

12 ~~(18)~~(13) "Registered lobbyist" means a lobbyist registered
 13 pursuant to the provisions of subchapters 4, ~~5 [repealed],~~ and 6-8 of this
 14 chapter; and

15 ~~(19)~~(14) "State government" means any office, department,
 16 commission, council, board, bureau, committee, legislative body, agency, or
 17 other establishment of the State of Arkansas.

18
 19 SECTION 5. Arkansas Code 21-8-601 is amended to read as follows:
 20 21-8-601. Registration required - Exceptions - Termination.

21 (a)(1) A lobbyist shall register within five (5) days after beginning
 22 lobbying.

23 (2) A lobbyist shall not be required to register if he or she
 24 engages in no lobbying other than the following activities:

25 (A) The publishing or broadcasting, by news media
 26 executives or their employees or agents, in the ordinary course of business,
 27 of news items, editorials, or other comments or paid advertisements which
 28 directly or indirectly urge legislative action or administrative action;

29 (B) Engaging in lobbying exclusively on behalf of an
 30 Arkansas church which qualifies as a tax exempt organization under section
 31 501(c)(3) of the Internal Revenue Code when lobbying solely for the purpose of
 32 protecting the rights of members or adherents to practice the religious
 33 doctrines of the church;

34 (C)(i) Action in a person's official capacity as a public
 35 ~~servant~~ official, as an employee of a governmental body, or as an elected or
 36 appointed official of a county, school district, or municipal government.

1 (ii) However, a ~~public servant~~ the person shall be
 2 required to register as a lobbyist if he or she:

3 (a) Receives income from a nongovernmental
 4 person in excess of two hundred fifty dollars (\$250) in a quarter for
 5 lobbying; or

6 (b) Expends or is reimbursed in excess of two
 7 hundred fifty dollars (\$250), regardless of the source, in a quarter for
 8 lobbying, excluding the cost of informational material and personal travel,
 9 lodging, meals, and dues;

10 (D) Drafting legislation;

11 (E) Appearing in:

12 (i) A judicial proceeding;

13 (ii) A proceeding or hearing if the appearance is a
 14 matter of public record; or

15 (iii) Any hearing or appeal proceeding conducted
 16 pursuant to the Arkansas Administrative Procedure Act, § 25-15-201 et seq;

17 (F) Assisting an executive agency, at the written request
 18 of the agency, in drafting administrative regulations or in publicizing or
 19 assisting in the implementation of final administrative actions;

20 (G) Testifying as an individual at a public hearing in
 21 support of or in opposition to legislation or administrative action,
 22 testifying on behalf of a corporation, partnership, association, or other
 23 organization with which the person is regularly associated as an employee,
 24 officer, member, or partner, or testifying at the request of a legislative
 25 committee; or

26 (H) Actions by contractors or employees of contractors
 27 while engaged in selling to ~~a governmental body~~ the state by demonstrating or
 28 describing commodities or services or inquiring as to specifications or terms
 29 and conditions of a particular purchase unless such contractor or its
 30 employees expend in excess of two hundred fifty dollars (\$250) in a calendar
 31 quarter for food, lodging, travel, or gifts to benefit public ~~servants~~
 32 officials or state employees who purchase commodities or services on behalf of
 33 ~~a governmental body~~ the state.

34 (3) A person whose only act of lobbying is to compensate or
 35 reimburse a registered lobbyist in the person's behalf shall not be required
 36 to register as a lobbyist.

1 (b) Upon the termination of a registered lobbyist's employment or
 2 designation as a lobbyist, the termination shall be conveyed by the registered
 3 lobbyist in writing to the public official with whom the lobbyist is
 4 registered.

5 (c) Each registered lobbyist whose employment or designation as a
 6 lobbyist has not terminated shall reregister by January 15 of each year.

7
 8 SECTION 6. Arkansas Code 21-8-602 is amended to read as follows:
 9 21-8-602. Other filings required.

10 ~~(a) A The lobbyist who lobbies public servants of state government~~
 11 shall register and make other filings with the Secretary of State.

12 ~~(b) A lobbyist who lobbies public servants of municipal government~~
 13 shall register and make other filings with the city clerk or recorder of the
 14 municipality, as the case may be.

15 ~~(c) A lobbyist who lobbies public servants of county government or any~~
 16 government body not otherwise covered by this section shall register and make
 17 other filings with the county clerk of the county.

18 ~~(d) A lobbyist who lobbies public servants of a governmental body~~
 19 covering a district which includes all or part of more than one (1) county
 20 shall file with the Secretary of State and the county clerk of his or her
 21 principal place of business or residence within the state.

22 ~~(e) A lobbyist who would be required to register and file with more~~
 23 than one (1) public official under this section may, in lieu of registering
 24 with each public official, register and make other filings with the Secretary
 25 of State and the county clerk of his or her principal place of business or
 26 residence within the state.

27
 28 SECTION 7. Arkansas Code 21-8-603 is amended to read as follows:
 29 21-8-603. Activity reports - Inspection.

30 (a)(1) Within fifteen (15) days after the end of each calendar quarter,
 31 each registered lobbyist shall file a complete and detailed statement, signed
 32 and sworn to, concerning his or her lobbying activities during the previous
 33 calendar quarter.

34 (2)(A) A registered lobbyist ~~who lobbies members of the General~~
 35 Assembly shall file a monthly lobbyist activity report, signed and sworn to,
 36 for any month in which the General Assembly is in session. A quarterly report

1 is not required if the registered lobbyist has filed monthly lobbyist activity
 2 reports for each month of the calendar quarter.

3 (B) The monthly lobbyist activity report shall be filed
 4 within ten (10) days after the end of each month.

5 (b) Lobbyist activity reports shall be open to public inspection.

6
 7 SECTION 8. Arkansas Code 21-8-604 is amended to read as follows:
 8 21-8-604. Activity reports - Required contents.

9 (a) The lobbyist activity reports shall be signed and sworn to by the
 10 registered lobbyist.

11 (b) The reports shall contain:

12 (1)(A) The total of all expenditures made or incurred by the
 13 registered lobbyist or on behalf of the registered lobbyist by his or her
 14 employer or any officer, employee, or agent during the preceding period.

15 (B) These totals shall be itemized according to financial
 16 category and employers and clients, including food and refreshments,
 17 entertainment, living accommodations, advertising, printing, postage, travel,
 18 telephone, and other expenses or services.

19 (C) Registered lobbyists shall not be required to report
 20 office expenses other than office expenses specifically required to be
 21 reported under this section.

22 (D) Registered lobbyists are not required to report
 23 unreimbursed personal living and travel expenses not incurred directly for
 24 lobbying;

25 (2)(A) An itemized listing of each:

26 (i) Gift having a value of forty dollars (\$40.00) or
 27 more given to a public ~~servant~~ official or on behalf of the public ~~servant~~
 28 official;

29 (ii) Payment for food, lodging, or travel in excess
 30 of forty dollars (\$40.00) per day per lobbyist made on behalf of a public
 31 ~~servant~~ official; and

32 (iii) Any other item paid or given to a public
 33 ~~servant~~ official or on behalf of the public ~~servant~~ official, except for
 34 campaign contributions, having a value in excess of forty dollars (\$40.00)
 35 unless consideration of equal or greater value has been given therefor. If the
 36 person receiving or to be benefiting by the item is a ~~public~~ state employee,

1 the person's governmental body shall be identified.

2 (B) Each item shall be identified by date, amount paid or
 3 value, and the name of the individual receiving or to be benefited by the
 4 item, and a description of the item.

5 (C) In the case of special events, including parties,
 6 dinners, athletic events, entertainment, and other functions, expenses need
 7 not be allocated by individuals, but the date of the event, location, name of
 8 the governmental body or groups of public ~~servants~~ officials invited, and
 9 total expense shall be stated;

10 (3) A detailed statement of any money loaned or promised or line
 11 of credit established to a public ~~servant~~ official or to anyone on behalf of
 12 the public ~~servant~~ official in excess of twenty-five dollars (\$25.00) per
 13 individual. Money loaned or a line of credit established that is issued in the
 14 ordinary course of business by a financial institution or a person who
 15 regularly and customarily extends credit shall not be required to be
 16 disclosed; and

17 (4) A statement detailing the direct business association or
 18 partnership with any public ~~servant~~ official before whom the lobbyist may
 19 engage in lobbying.

20 (c) Whenever the name of a public ~~servant~~ official will appear in an
 21 activity report of a lobbyist, the lobbyist shall notify the public ~~servant~~
 22 official and provide him or her the information being reported. The lobbyist
 23 shall mail or deliver the notification to the public ~~servant~~ official not
 24 later than seven (7) working days prior to the date for filing the activity
 25 report.

26
 27 SECTION 9. Arkansas Code 21-8-606 is amended to read as follows:

28 21-8-606. Duties of ~~public officials~~ the Secretary of State.

29 The Secretary of State, ~~each county clerk, and each city clerk or~~
 30 ~~recorder~~ shall:

31 (1) Provide forms approved by the Arkansas Ethics Commission for
 32 registration and for statements required by subchapters 4, ~~5 [repealed]~~, and
 33 6-8 of this chapter to all persons required to file;

34 (2) Issue a certificate of registration to a lobbyist registered
 35 under the provisions of subchapters 4, ~~5 [repealed]~~, and 6-8 of this chapter;
 36 and

1 (3) Make all statements and reports filed available for public
2 inspection and copying, at a reasonable cost, during regular office hours.

3
4 SECTION 10. Arkansas Code 21-8-607 is amended to read as follows:
5 21-8-607. Prohibited acts.

6 (a) No person shall purposely employ any lobbyist who is required to
7 register as a registered lobbyist but is not registered pursuant to this
8 chapter.

9 (b) No person engaging in lobbying shall:

10 (1) Influence or attempt to influence, by coercion, bribery, or
11 threat of economic sanction, any public ~~servant~~ official in the discharge of
12 the duties of his or her office;

13 (2) Purposely provide false information to any public ~~servant~~
14 official as to any material fact pertaining to any legislative or
15 administrative action;

16 (3) Purposely omit, conceal, or falsify in any manner information
17 required by the registration and lobbyist activity reports.

18 (c)(1) Any person convicted for violation of any provision of this
19 subchapter is prohibited from acting as a registered lobbyist for a period of
20 three (3) years from the date of the conviction.

21 (2) Any person violating this three-year ban shall be deemed
22 guilty of a violation of this chapter.

23
24 SECTION 11. The heading for Arkansas Code Title 21, Chapter 8,
25 Subchapter 7 is amended to read as follows:

26 Subchapter 7 — Disclosure by State ~~and Local~~ Officials — Statement of
27 Financial Interest

28
29 SECTION 12. Arkansas Code 21-8-701 is amended to read as follows:
30 21-8-701. Persons required to file - Exceptions - Contents.

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

33 (1) A public official, as defined in § 21-8-402(16); and

34 (2) A candidate for state elective office; ~~;~~

35 ~~(3) A municipal judge or city attorney, whether elected or~~
36 ~~appointed;~~

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

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

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

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

10 ~~(A) A planning board or commission;~~

11 ~~(B) An airport board or commission;~~

12 ~~(C) A water or sewer board or commission;~~

13 ~~(D) A utility board or commission; or~~

14 ~~(E) A civil service commission.~~

15 ~~(b) A member of a levee district or a levee and drainage district or~~
 16 ~~any candidate therefor shall not be required to file a written statement of~~
 17 ~~financial interest under this section.~~

18 ~~(c)(b)(1)(A)~~ The statement of financial interest for the previous
 19 calendar year shall be filed by January 31 of each year, except that a
 20 candidate for state elective office shall file the statement of financial
 21 interest for the previous calendar year within thirty (30) days after the
 22 deadline for filing for office for which he seeks election, and ~~persons~~
 23 ~~identified in subdivisions (a)(4) and (a)(5) of this section~~ a public official
 24 shall file the statement of financial interest within thirty (30) days after
 25 appointment or employment, if the public official is:

26 (i) an agency head, department director, or division
 27 director of state government; or

28 (ii) a public appointee to a state board or
 29 commission who is authorized or charged by law with the exercise of regulatory
 30 authority or is authorized to receive or disburse state or federal funds.

31 (B) If a person is included in any category listed in
 32 subsection (a) of this section for any part of a calendar year, then such
 33 person shall file a statement of financial interest covering that period of
 34 time regardless of whether the person has left his or her office or position
 35 as of the date that statement of financial interest is due.

36 (2) Any incumbent officeholder who filed the statement of

1 financial interest by January 31 of the year in which the election is held
 2 shall not be required to file an additional statement upon becoming a
 3 candidate for reelection or election to another office at any election held
 4 during the year.

5 ~~(d)~~(c) The statement of financial interest shall include the following:

6 (1) The name of the public ~~servant~~ official and his or her spouse
 7 and all names under which they do business;

8 (2) The reasons for filing the statement of financial interest;

9 (3)(A) Identification of each employer and of each other source
 10 of income amounting to more than one thousand dollars (\$1,000) annually
 11 received by the person or his or her spouse in their own names, or by any
 12 other person for the use or benefit of the public ~~servant~~ official or his or
 13 her spouse, and a brief description of the nature of the services for which
 14 the compensation was received, except that this subdivision (d)(3) shall not
 15 be construed to require the disclosure of individual items of income that
 16 constitute a portion of the gross income of the business or profession from
 17 which the public ~~servant~~ official or his or her spouse derives income; and

18 (B) In addition thereto, identification of each source of
 19 income as described above of more than twelve thousand five hundred dollars
 20 (\$12,500), except that this shall not be construed to require the disclosure
 21 of individual items of income that constitute a portion of the gross income of
 22 the business or profession from which the public ~~servant~~ official or his or
 23 her spouse derives income;

24 (4)(A) The name of every business in which the public ~~servant~~
 25 official and his or her spouse, or any other person for the use or benefit of
 26 the public ~~servant~~ official or his or her spouse, have an investment or
 27 holdings of over one thousand dollars (\$1,000) at fair market value as of the
 28 last day of the previous calendar year; and

29 (B) In addition thereto, identification of each source as
 30 described above which has a fair market value of over twelve thousand five
 31 hundred dollars (\$12,500) as of the last day of the previous calendar year;

32 (5) Every office or directorship held by the public ~~servant~~
 33 official or his or her spouse in any business, corporation, firm, or
 34 enterprise subject to jurisdiction of a regulatory agency of this state or of
 35 any of its political subdivisions;

36 (6)(A) The name and address of each creditor to whom the value of

1 five thousand dollars (\$5,000) or more was personally owed or personally
 2 obligated and is still outstanding by the public ~~servant~~ official.

3 (B)(i) Loans made in the ordinary course of business by
 4 either a financial institution or a person who regularly and customarily
 5 extends credit shall not be required to be disclosed.

6 (ii) Debts owed to the members of the public
 7 ~~servant's~~ official's family need not be included;

8 (7)(A) The name and address of each guarantor or co-maker, other
 9 than a member of the public ~~servant's~~ official's family, who has guaranteed a
 10 debt of the public ~~servant~~ official that is still outstanding.

11 (B)(i) This requirement shall be applicable only to debt
 12 guaranties for debts assumed or arising after January 1, 1989.

13 (ii) Guaranteed debts existing prior to January 1,
 14 1989, which are extended or refinanced shall become subject to disclosure in
 15 the annual financing statement due to be filed after the conclusion of the
 16 year in which such extension or refinancing occurred;

17 (8)(A) The source, date, reasonable fair market value, and
 18 description of each gift of more than one hundred dollars (\$100) received by
 19 the public ~~servant~~ official or his or her spouse or more than two hundred
 20 fifty dollars (\$250) received by his or her dependent children;

21 (B) The determination of the reasonable fair market value
 22 of a gift shall not be subject to an ethics complaint under §§ 7-6-217 and 7-
 23 6-218;

24 (9) Each nongovernmental source of payment of the public
 25 ~~servant's~~ official's expenses for food, lodging, or travel which bears a
 26 relationship to the public ~~servant's~~ official's office when the public ~~servant~~
 27 official is appearing in his or her official capacity when the expenses
 28 incurred exceed one hundred fifty dollars (\$150). The public ~~servant~~ official
 29 shall identify the name and business address of the person or organization
 30 paying the public ~~servant's~~ official's expenses and the date and nature of
 31 that expenditure if not compensated by the entity for which the public ~~servant~~
 32 official serves;

33 (10) Any public ~~servant~~ official who is employed by any business
 34 which is under direct regulation or subject to direct control by the
 35 governmental body which he serves shall set out this employment and the fact
 36 that the business is regulated by or subject to control of the governmental

body on the statement of financial interest; and

(11) If a public ~~servant~~ official or any business in which he or she or his or her spouse is an officer, director, or stockholder owning more than ten percent (10%) of the stock of the company, the owner, trustee, or partner shall sell any goods or services having a total annual value in excess of one thousand dollars (\$1,000) to the governmental body in which the public ~~servant~~ official serves or is employed. Then the public ~~servant~~ official shall set out in detail the goods or services sold, the governmental body to which they were sold, and the compensation paid for each category of goods or services sold.

SECTION 13. Arkansas Code 21-8-703 is amended to read as follows:

21-8-703. Place and manner of filing.

(a) The statement of financial interest shall be filed ~~as follows:~~ with the Secretary of State.

~~(1) State or district public servants required to file shall file with the Secretary of State;~~

~~(2) County, township, or school district public servants required to file shall file with the county clerks;~~

~~(3) Municipal public servants required to file shall file with the city clerk or recorder, as the case may be;~~

~~(4) All municipal judges or city attorneys, whether elected or appointed, shall file with the city clerk of the municipality within which they serve.~~

(b) Any report required by this subchapter shall be deemed timely filed if it is:

(1) Hand delivered to the Secretary of State on or before the date due;

(2) Mailed to the Secretary of State, properly addressed, postage prepaid, bearing a postmark indicating that it was received by the post office or common carrier on or before the date due;

(3) Received via facsimile by the Secretary of State on or before the date due, provided the original is received by the Secretary of State within ten (10) days of the transmission; or

(4) Received by the Secretary of State in a readable electronic format which is acceptable to the Secretary of State and approved by the

1 Arkansas Ethics Commission.

2

3 SECTION 14. The heading for Arkansas Code Title 21, Chapter 8,
4 Subchapter 8 is amended to read as follows:

5 Subchapter 8 — Disclosure by State ~~and Local~~ Officials — Conflict of
6 Interest

7

8 SECTION 15. Arkansas Code 21-8-801 is amended to read as follows:

9 21-8-801. Prohibited acts generally.

10 (a)(1) No public servant official shall:—(1) Receive receive a gift or
11 compensation as defined in subchapter 4 of this chapter, other than income and
12 benefits from the governmental body to which he or she is duly entitled, for
13 the performance of the duties and responsibilities of his or her office or
14 position;—

15 (2) For the purpose of this section, a gift or compensation is
16 received for the performance of the person’s duties and responsibilities, if
17 it is received for giving, as a public official, a decision, opinion,
18 recommendation, or vote favorable to another person or for otherwise
19 exercising his or her discretion in favor of another person;

20 (b)(2) Purposely No public official shall purposely use or disclose to
21 any other person or entity confidential government information acquired by him
22 or her in the course of and by reason of the public servant’s official’s
23 official duties, to secure anything of material value or benefit for himself
24 or herself or his or her family.

25

26 SECTION 16. Arkansas Code 21-8-802 is amended to read as follows:

27 21-8-802. Prohibited appearances - Exceptions.

28 (a) No legislator shall appear for compensation on behalf of another
29 person, firm, corporation, or entity before any entity of: state government.

30 ~~(1) State government, if the legislator is a member of the~~
31 ~~General Assembly;—~~

32 ~~(2) The legislator’s county government, if the legislator is a~~
33 ~~member of a quorum court; or~~

34 ~~(3) The legislator’s municipal government, if the legislator is a~~
35 ~~member of a city council or board of directors of a municipality.~~

36 (b) This section shall not:

1 (1) Apply to any judicial proceeding or to any hearing or
 2 proceeding which is adversarial in nature or character;

3 (2) Apply to any hearing or proceeding on which a record is made
 4 by the entity of state government, ~~county government, or municipal government;~~

5 (3) Apply to an appearance which is a matter of public record;

6 (4) Apply to ministerial actions; or

7 (5) Preclude a legislator from acting on behalf of a constituent
 8 to determine the status of a matter without accepting compensation.

9 (c) An appearance which is a matter of public record as provided in
 10 subdivision (b)(3) of this section may be made by:

11 (1)(A) Filing a written statement within twenty-four (24) hours
 12 with the agency head of the entity of state government, ~~county government, or~~
 13 ~~municipal government~~ before which an appearance is sought.

14 (B) In the event that a written statement cannot be
 15 provided to the agency head prior to the meeting, telephonic notice must be
 16 given the agency head or his office; or

17 (2) Filing a quarterly statement with the agency head of the
 18 entity of state government before which an appearance is sought.

19 (d)(1) A statement filed under subsection (c) of this section shall
 20 identify the client on behalf of whom the appearance is made and contain a
 21 general statement of the action sought from the governmental body.

22 (2)(A) The statements shall be retained by the agency head and
 23 shall be a matter of public record.

24 (B) If the agency head determines that the release of the
 25 client's name would be an unwarranted invasion of individual privacy or would
 26 give advantage to competitors for bidding, the agency head may withhold the
 27 name until appropriate.

28 (e) No member of the General Assembly shall receive any income or
 29 compensation as defined in § 21-8-401 et seq., other than income and benefits
 30 from the governmental body to which he or she is duly entitled, for lobbying
 31 other members of the General Assembly by communicating directly or soliciting
 32 others to communicate with any other member with the purpose of influencing
 33 legislative action by the General Assembly.

34
 35 SECTION 17. Arkansas Code Title 21, Chapter 8 is amended to add an
 36 additional subchapter to read as follows:

1 Subchapter 11 — Disclosure by Local Officials — Statement of Financial
 2 Interest

3
 4 21-8-1101. This subchapter shall be known and may be cited as the
 5 “Financial Disclosure Act for Local Officials.”

6
 7 21-8-1102. Definitions.

8 For the purpose of this subchapter, unless the context otherwise
 9 requires:

10 (1) “Regulatory agency” means any board, commission, department, or
 11 officer authorized by law to make rules or to adjudicate contested cases
 12 except those in the legislative or judicial branches; and

13 (2)(A) “Financial interest” means notes, stock certificates, bonds,
 14 contracts, or other evidence of ownership interest in any firm, corporation,
 15 or enterprise.

16 (B) “Financial interest” does not mean:

17 (i) Demand deposits, time deposits, or other types of
 18 deposits that do not vest any ownership interest in any firm, corporation, or
 19 enterprise.

20 (ii) Policies of insurance issued to the person or his or
 21 her spouse.

22
 23 21-8-1103. Penalties.

24 (a) Any person who knowingly or willfully fails to file a report
 25 required under this subchapter or files an incomplete or inaccurate report or
 26 otherwise violates any provision of this subchapter shall be guilty of a Class
 27 B misdemeanor.

28 (b) In addition, any person who shall willfully conceal or willfully
 29 fail to disclose any information required to be disclosed under this
 30 subchapter shall be guilty of malfeasance in office or position of employment
 31 and shall be removed therefrom.

32
 33 21-8-1104. Enforcement.

34 (a) The prosecuting attorneys of this state shall supervise compliance
 35 with this subchapter and prosecute persons who violate the subchapter.

36 (b)(1) If the prosecuting attorney fails or refuses to enforce this

1 subchapter when the facts are known by the prosecuting attorney, or called to
 2 his or her attention, the Attorney General or any citizen of this state may
 3 bring mandamus proceedings to compel the prosecuting attorney to perform his
 4 or her duties.

5 (2) The citizen shall be entitled to receive reimbursements for
 6 expenses and reasonable attorney's fees upon the successful outcome of the
 7 litigation.

8
 9 21-8-1105. Persons required to file.

10 (a) The following persons shall file the written statement required
 11 under this subchapter:

12 (1) All persons holding an elective office of any political
 13 subdivision of this state, including, but not limited to, districts, counties,
 14 townships, municipalities, and school districts;

15 (2) All candidates for nomination or election to an elective
 16 office of a political subdivision of this state;

17 (3) All municipal judges or city attorneys, whether elected or
 18 appointed; and

19 (4)(A) All persons serving by appointment on any county or local
 20 board, agency, commission, department, or similar entity who are authorized or
 21 charged by law with the exercise of regulatory authority through rule-making
 22 or adjudication, or are authorized to receive or disburse state or federal
 23 funds.

24 (B) However, a person serving without compensation on a
 25 nonregulatory board or commission of a political subdivision of this state is
 26 not required to file the statement.

27 (b) A person required to file a statement of financial interest under §
 28 21-8-701 shall not be required to file a statement of financial interest under
 29 this subchapter.

30
 31 21-8-1106. Time and place of filing.

32 (a)(1) Except for candidates, the statement of financial interest shall
 33 be filed on or before the last day of January of each year.

34 (2)(A) A candidate for public office shall file the statement
 35 within thirty (30) days after the deadline for filing for office for which he
 36 or she seeks election.

1 (B) An incumbent officeholder who filed the statement
 2 required under subsection (a) in the same year in which an election is to be
 3 held, shall not be required to file an additional statement upon becoming a
 4 candidate for reelection or election to another office at any election held
 5 during the year.

6 (b) The statement shall be filed as follows:

7 (1) District, county, township, or school district officials
 8 shall file with the county clerk of the county in which the official resides;

9 (2) Municipal officials shall file with the city clerk or
 10 recorder, as the case may be;

11 (3) Municipal judges or city attorneys, whether elected or
 12 appointed, shall file with the city clerk of the municipality within which
 13 they serve; and

14 (4) Candidates shall file with the official designated to receive
 15 filings for the office for which the person is a candidate.

16
 17 21-8-1107. Public records.

18 (a) The official with whom the statements are required to be filed
 19 pursuant to this subchapter shall retain all the written statements in a file
 20 as a public record and the statements shall be open to public inspection
 21 during all office hours.

22 (b) The statements shall be retained as a public record for five (5)
 23 years after which time the statements shall be destroyed.

24
 25 21-8-1108. Financial disclosure statements - Contents.

26 (a) The statements required by this subchapter shall be filed on forms
 27 provided by the county clerk, city clerk, or recorder, as the case may be, and
 28 shall include the following:

29 (1) The name and address of any corporation, firm, or enterprise
 30 in which the person has a direct financial interest of a value in excess of
 31 one thousand dollars (\$1,000);

32 (2) A list of every office or directorship held by the person or
 33 his or her spouse, in any corporation, firm, or enterprise subject to
 34 jurisdiction of a regulatory agency of this state or any of its political
 35 subdivisions;

36 (3) A list showing the name and address of any person,

1 corporation, firm, or enterprise from which the person received compensation
 2 in excess of one thousand five hundred dollars (\$1,500) during the preceding
 3 year;

4 (4) A list showing the name and address of any person,
 5 corporation, firm, or enterprise from which the persons received compensation
 6 in excess of twelve thousand five hundred dollars (\$12,500) during the
 7 preceding year; and

8 (5) A list showing the name of each regulatory agency of this
 9 state or any of its political subdivisions before which the person has
 10 appeared in a compensated capacity during the preceding twelve-month period as
 11 an attorney, accountant, or otherwise, and the name of the person,
 12 partnership, corporation, or association of which he is a member, partner, or
 13 employee.

14 (b)(1) The Secretary of State shall promulgate forms to be used by
 15 persons in filing statements as required in this subchapter.

16 (2) Each form shall provide for the signature of the person,
 17 under penalty of perjury, with respect to the truth and accuracy of the
 18 statements made on the form.

19
 20 21-8-1109. Notification of failure to file.

21 (a) Within ten (10) days after January 31 of each year, each county
 22 clerk and each city clerk or recorder, shall prepare a list of the names of
 23 all elected officials, public officers, or public employees who have not filed
 24 a statement with their office in accordance with the provisions of this
 25 subchapter, including the names of persons who have filed statements which
 26 have not been signed or are not filed in complete form.

27 (b)(1) The official shall without delay mail a notice to each person
 28 who has failed to file such statement, or who filed an incomplete or unsigned
 29 statement.

30 (2) The notice shall be by ordinary mail, addressed to the last
 31 known address of the person.

32 (3) The notice shall be substantially as follows:

33 "Notice is given that you have failed to file with the undersigned
 34 a statement of information required to be filed with this office under the
 35 provisions of the Financial Disclosure Act for Local Officials, Arkansas Code
 36 21-8-1101 -- 21-8-1109, or that you have filed a statement which is incomplete

1 or unsigned.

2 You are further notified that according to law, unless you file the
3 statement required by Financial Disclosure Act for Local Officials with this
4 office within ten (10) days from the date of this notice, it is the duty of
5 the undersigned to file a report with the prosecuting attorney listing the
6 names of all the persons who are required to file a statement with this office
7 and who have failed to comply with the law.

8
9
10 (County Clerk or City Clerk or Recorder as it may be)

11
12
13 (DATE)"

14
15 SECTION 18. EMERGENCY CLAUSE. It is found and determined by the
16 General Assembly that that the ethics laws of this state need revision and
17 improvement; and that this act makes revisions which are immediately necessary
18 in order to avoid undue harm to persons such as the recipients of the Milken
19 Family Foundation National Educator Awards. Therefore, an emergency is
20 declared to exist and this act being immediately necessary for the
21 preservation of the public peace, health and safety shall become effective on
22 the date of its approval by the Governor. If the bill is neither approved nor
23 vetoed by the Governor, it shall become effective on the expiration of the
24 period of time during which the Governor may veto the bill. If the bill is
25 vetoed by the Governor and the veto is overridden, it shall become effective
26 on the date the last house overrides the veto.

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