

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 85th General Assembly
3 Regular Session, 2005
4

A Bill

HOUSE BILL 2774

5 By: Representative Mahony
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For An Act To Be Entitled

9 AN ACT TO REQUIRE HIGHER EDUCATION EMPLOYEES TO
10 DISCLOSE FINANCIAL INTERESTS; AND FOR OTHER
11 PURPOSES.
12

Subtitle

13 AN ACT TO REQUIRE HIGHER EDUCATION
14 EMPLOYEES TO DISCLOSE FINANCIAL
15 INTEREST.
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. Arkansas Code § 19-11-716 is amended to read as follows:

22 19-11-716. Participation in business incubators - Regulations and
23 guidelines.

24 (a) The provisions of this subchapter shall not be applicable to
25 faculty or staff of state-supported institutions of higher education
26 participating in business incubators within this state.

27 (b)(1) The Director of the Department of Finance and Administration
28 shall promulgate rules and regulations pursuant to the procedure for adoption
29 as provided under the Arkansas Administrative Procedure Act, § 25-15-201 et
30 seq., and under § 10-3-309 to implement a program allowing admittance to
31 business incubators by faculty or staff of state-supported institutions of
32 higher education or admittance by companies in which faculty or staff may
33 hold an ownership interest.

34 (2) The program ~~may~~ shall include guidelines setting forth full
35 disclosure requirements, any limitations on ownership interests, maximum
36 income amounts to be received, annual reporting to the General Assembly,



1 mandatory levels of student participation and such other reasonable
 2 restrictions and requirements as are necessary to maintain the public trust
 3 while encouraging the facilitation of commercialization of university-
 4 generated technology or discovery.

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 6 SECTION 2. Arkansas Code § 19-11-717 is amended to read as follows:

7 19-11-717. Institutions of higher education disclosure requirements.

8 (a)(1) Notwithstanding anything in this subchapter to the contrary If
 9 transactions are fully disclosed as required by the disclosure requirements
 10 of subsection (b) this section, it shall not be a violation of § 19-11-709,
 11 or a conflict of interest, or a breach of ethical standards for:

12 ~~(1)(A)~~ An institution of higher education to contract with
 13 a person or firm in which an employee or former employee of such institution
 14 has a financial interest; or

15 ~~(2)(B)~~ An employee or former employee of an institution of
 16 higher education to participate directly or indirectly in any matter
 17 pertaining to any contract or subcontract or any solicitation or proposal
 18 therefor between the institution and a person or firm in which such employee
 19 or former employee has a financial interest+.

20 (2) If, in either of the foregoing events, such contract or
 21 subcontract, solicitation, or proposal involves patents, copyrights, or other
 22 proprietary information in which the institution and the employee or former
 23 employee have rights or interests; provided that any such contract or
 24 subcontract shall be approved by the governing board of such institution in
 25 public meeting.

26 (b)(1) Any transaction with an institution of higher education that
 27 would normally be prohibited by the provisions of §§ 19-1-701 through 19-11-
 28 716 shall be fully disclosed on a Higher Education Employee Disclosure of
 29 Financial Interest Form to be filed with the Chief Fiscal Officer of the
 30 State on an annual basis by January 31 of each year.

31 (2)(A) All higher education employees shall disclose any salary
 32 supplement or additional compensation received directly or indirectly as a
 33 result of their employment with an institution of higher education.

34 (B) All higher education employees shall disclose all
 35 transactions directly or indirectly with a nonprofit entity established for
 36 the specific purpose of supporting any institution of higher education or

1 system thereof when the transactions with the nonprofit entity or entities
 2 total one thousand dollars (\$1,000) or more per calendar year.

3 (3) The Chief Fiscal Officer of the State shall design and make
 4 the Higher Education Employee Disclosure of Financial Interest Form available
 5 for downloading through the Internet.

6 (4) The forms shall contain, as a minimum, the following
 7 information:

8 (A) Name and address of the employee;

9 (B) Name of the employing institution and position held;

10 (C) Nature of the financial interests;

11 (D) Name and address of the business in which the employee
 12 has a financial interest that has had transactions with an institution of
 13 higher education during the previous calendar year;

14 (E) Dollar amount of transactions that business had with
 15 the institution of higher education during the previous calendar year;

16 (F) Amount of any salary supplement or additional
 17 compensation received from another business as a result of employment with an
 18 institution of higher education; and

19 (G) Name and address of any entity providing a salary
 20 supplement or additional compensation received by the employee as a result of
 21 employment with an institution of higher education.

22 (b) Failure to disclose transactions required to be disclosed in
 23 accordance with the provisions of this section shall be presumed to have been
 24 knowingly omitted from the form and are subject to the penalty provisions of
 25 § 19-11-702.

26 (c) By December 31 of each year, all institutions of higher education
 27 shall provide written notice to all employees and all former employees who
 28 have left employment within the last twelve (12) months of the filing
 29 requirements under the provisions of this section, including an explanation
 30 of the penalty provision.

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