

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 86th General Assembly
3 Regular Session, 2007
4

As Engrossed: H3/14/07

A Bill

HOUSE BILL 2726

5 By: Representatives Petrus, Thyer
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For An Act To Be Entitled

9 AN ACT TO AMEND ARKANSAS LAW CONCERNING THE
10 DISCLOSURE OF RELATED PARTY TRANSACTIONS; AND FOR
11 OTHER PURPOSES.
12

Subtitle

14 AN ACT TO AMEND ARKANSAS LAW CONCERNING
15 THE DISCLOSURE OF RELATED PARTY
16 TRANSACTIONS.
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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 Title 21, Chapter 8 is amended to add an*
22 *additional subchapter to read as follows:*

23 *21-8-1101. Definitions.*

24 *As used in this subchapter:*

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

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

29 *(A) Board member;*

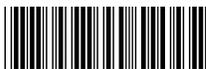
30 *(B) Family member; or*

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

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

34 *(A) An individual's spouse;*

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



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

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

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

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

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

12 (4) "Financial interest" means:

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

15 (B) Holding a position as an officer, director, trustee,
16 partner, or other top level management of a business or other entity; or

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

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

23 (6) "Other related entity" means:

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

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

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

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

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

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35 21-8-1102. Filing of disclosure of related party transactions.

36 (a) Between January 1 and January 31 of each year, a board member

1 shall file a disclosure of related party transactions with the Secretary of
2 State.

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

7 (1) In any calendar year;

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

9 (3) At a predetermined point in the future.

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

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

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

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

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

26 (1) The public agency;

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

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

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31 /s/ Petrus, et al
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