

1 State of Arkansas  
2 91st General Assembly  
3 Regular Session, 2017  
4

# A Bill

HOUSE BILL 1313

5 By: Representative Hammer  
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## For An Act To Be Entitled

8 AN ACT CONCERNING THE PROCESS FOR REPORTING POTENTIAL  
9 CONFLICTS BY MEMBERS OF THE GENERAL ASSEMBLY; TO  
10 AMEND A PORTION OF THE ARKANSAS CODE THAT RESULTED  
11 FROM INITIATED ACT 1 OF 1988; TO DECLARE AN  
12 EMERGENCY; AND FOR OTHER PURPOSES.  
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## Subtitle

15 CONCERNING THE PROCESS FOR REPORTING  
16 POTENTIAL CONFLICTS BY MEMBERS OF THE  
17 GENERAL ASSEMBLY; TO AMEND A PORTION OF  
18 THE ARKANSAS CODE THAT RESULTED FROM  
19 INITIATED ACT 1 OF 1988; AND TO DECLARE  
20 AN EMERGENCY.  
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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26 SECTION 1. Arkansas Code § 21-8-803, resulting from Initiated Act 1 of  
27 1988, is amended to add an additional subsection to read as follows:

28 (d)(1) This section does not apply to a member of the General  
29 Assembly.

30 (2) A member of the General Assembly shall comply with § 21-8-  
31 805.  
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33 SECTION 2. Arkansas Code Title 21, Chapter 8, Subchapter 8, is amended  
34 to add an additional section.

35 21-8-805. Members of the General Assembly – Potential conflicts of  
36 interest.



1           (a)(1) As used in this section, "member of the General Assembly with a  
2 conflict of interest" means a member of the General Assembly who:

3                   (A) Is required to take an action in the discharge of his  
4 or her official duties that may affect his or her financial interest or cause  
5 financial benefit or detriment to the member, or a business in that he or she  
6 is an officer, director, stockholder owning more than ten percent (10%) of  
7 the stock of the company, owner, trustee, partner, or employee, that is  
8 distinguishable from the effects of the action on the public generally or a  
9 broad segment of the public; or

10                   (B) Files legislation for consideration by the General  
11 Assembly that may affect his or her financial interest or cause financial  
12 benefit or detriment to the member, or a business in which he or she is an  
13 officer, director, stockholder owning more than ten percent (10%) of the  
14 stock of the company, owner, trustee, partner, or employee, that is  
15 distinguishable from the effects of the action on the public generally or a  
16 broad segment of the public.

17                   (2) "Member of the General Assembly with a conflict of interest"  
18 includes without limitation a member of the General Assembly employed as an  
19 attorney, consultant, advisor, or a similar role if an action taken in the  
20 discharge of the member's official duties, including without limitation the  
21 filing of legislation, would affect the financial interest of a client of the  
22 member employed as an attorney, a consultant, an advisor, or in a similar  
23 role in a manner distinguishable from the effects of the action on the public  
24 generally or a broad segment of the public.

25                   (b)(1)(A) A member of the General Assembly with a conflict of interest  
26 shall prepare and file with the Secretary of State a written statement  
27 describing the matter requiring action and stating the potential conflict of  
28 interest.

29                   (B) The Secretary of State shall file the written  
30 statement under subdivision (b)(1)(A) of this section with the statement of  
31 financial interest of the member of the General Assembly with a conflict of  
32 interest.

33                   (2) The written statement shall be delivered to the Secretary of  
34 State:

35                   (A) In person by the member of the General Assembly with a  
36 conflict of interest;

1           (B) By mail;

2           (C) By electronic mail; or

3           (D) In person by a person authorized by the member of the  
4 General Assembly with a conflict of interest to deliver the copy.

5           (3) The obligation to prepare and file a written statement under  
6 subdivision (b)(1) of this section arises as soon as the member of the  
7 General Assembly with a conflict of interest is aware of the conflict of  
8 interest.

9           (4) A written statement under this section is not required to be  
10 signed before a notary public.

11           (c)(1)(A) If a member of the General Assembly with a conflict of  
12 interest files legislation under subdivision (a)(1)(B) of this section, the  
13 written statement under subdivision (b)(1) of this section shall be filed at  
14 the same time the bill is filed.

15           (B) The member of the General Assembly with a conflict of  
16 interest shall provide a copy of the written statement under subdivision  
17 (b)(1) of this section to the Chief Clerk of the House of Representatives or  
18 the Secretary of the Senate to be kept with the legislation that the written  
19 statement concerns.

20           (C) When legislation for which a written statement has  
21 been filed under subdivision (c)(1)(A) of this section is considere<sup>3</sup>d by a  
22 committee of the General Assembly, a copy of the written statement shall be  
23 distributed to each member of the committee when the legislation is presented  
24 to the committee.

25           (2) If a member of the General Assembly with a conflict of  
26 interest fails to file a written statement under subdivision (c)(1) of this  
27 section:

28           (A) A member of a committee of the General Assembly to  
29 which the bill is referred may object to the bill's being called up for final  
30 action in the committee until a copy of the written statement is made  
31 available to the committee; and

32           (B) A member of the House of Representatives or the Senate  
33 may object to the bill's being called up for final passage in his or her  
34 respective chamber until a written statement is prepared and made available  
35 on the desk of each member of the respective chamber before the bill is  
36 called up for final passage.

1 (d)(1) Violations of this section are subject to § 21-8-403.

2 (2)(A) In addition to the penalties under 21-8-403, the Arkansas  
 3 Ethics Commission is authorized to investigate complaints or allegations of  
 4 violations of this section and to issue findings on those complaints or  
 5 allegations.

6 (B) When conducting investigations under subdivision  
 7 (d)(2)(A) of this section, the commission has all authority under §§ 7-6-217  
 8 and 7-6-218.

9 (3)(A) The commission shall promulgate rules to implement this  
 10 section, including without limitation the preparation of forms and documents  
 11 necessary for compliance with this section.

12 (B) The form developed by the commission to comply with  
 13 subdivision (b)(1) of this section shall include without limitation:

14 (i) The name of the member of the General Assembly  
 15 with a conflict of interest;

16 (ii) The date the member of the General Assembly  
 17 with a conflict of interest became aware of the conflict of interest;

18 (iii) A description of the matter requiring action  
 19 by the member of the General Assembly with a conflict of interest; and

20 (iv) A statement of the potential conflict of  
 21 interest.

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 23 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the  
 24 General Assembly of the State of Arkansas that this legislation affects the  
 25 ethical duties of a member of the General Assembly when filing or considering  
 26 legislation that presents a conflict of interest for the member; and that  
 27 this act should become effective at the earliest opportunity to ensure that  
 28 the General Assembly conducts its proceedings in a manner that avoids  
 29 conflicts of interest among its membership and ensures that legislation is  
 30 enacted in a transparent manner. Therefore, an emergency is declared to  
 31 exist, and this act being immediately necessary for the preservation of the  
 32 public peace, health, and safety shall become effective on:

33 (1) The date of its approval by the Governor;

34 (2) If the bill is neither approved nor vetoed by the Governor,  
 35 the expiration of the period of time during which the Governor may veto the  
 36 bill; or

1                   (3) If the bill is vetoed by the Governor and the veto is  
2 overridden, the date the last house overrides the veto.

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