

By: Representatives Moak, Espy, Scott

To: Judiciary A

HOUSE BILL NO. 1532

1 AN ACT TO AMEND SECTION 25-4-27, MISSISSIPPI CODE OF 1972, TO
 2 REFORM THE ETHICS LAWS BY EXPANDING THE CONTENT OF INFORMATION
 3 INCLUDED IN THE STATEMENTS OF ECONOMIC INTEREST THAT CERTAIN
 4 PUBLIC OFFICIALS AND EMPLOYEES MUST FILE; TO REQUIRE REPORTING OF
 5 CERTAIN INTERESTS IN SUBSIDIARY BUSINESSES; TO REQUIRE THAT
 6 ADDITIONAL INFORMATION BE PROVIDED WITH REGARD TO INCOME FROM A
 7 TRUSTEE OR TRUST; TO AMEND SECTIONS 25-4-3 AND 25-4-103,
 8 MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND FOR RELATED
 9 PURPOSES.

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

11 **SECTION 1.** Section 25-4-27, Mississippi Code of 1972, is
 12 amended as follows:

13 25-4-27. Each person specified under Section 25-4-25 shall
 14 file a statement in accordance with the provisions of this chapter
 15 which shall be signed under oath as to the accuracy and
 16 completeness of the information set forth to the best knowledge of
 17 the person submitting such statement. The statement shall include
 18 the following information:

19 (a) The name and residential and business addresses of
 20 such person;

21 (b) The title, position and offices whereby such person
 22 is required to file;

23 (c) All other occupations of such person and his spouse
 24 during the preceding calendar year and up to the date of filing;

25 (d) The positions held by such person or his spouse
 26 during the preceding calendar year and up to the date of filing in
 27 any business, partnership or corporation organized for profit,
 28 listed by name and address;

29 (e) The names and addresses of all businesses or
 30 corporations in which such person or his spouse has or had a

31 direct or indirect interest during the preceding calendar year and
32 up to the date of filing which is equal to ten percent (10%) or
33 more of all interests in any such business, including an interest
34 in any subsidiary business when:

35 (i) The parent business has been reported, and the
36 subsidiary business is wholly owned by the parent business; or

37 (ii) The combined percentage of interest that the
38 person or his spouse has in the parent business and interest that
39 the parent business has in the subsidiary business results in the
40 person or spouse having the effective control or ownership of ten
41 percent (10%) or more of the subsidiary business;

42 (f) The types of the gross income sources of such
43 person or his spouse, whether paid directly or indirectly, for the
44 preceding calendar year in excess of Two Thousand Five Hundred
45 Dollars (\$2,500.00); each entry under this subsection (f) shall
46 contain the name of the general type of such business or
47 enterprise and the nature of the income as to whether it was
48 salary, fees, dividends, interest, profit, commissions, royalty,
49 rent or other, and in the case in which gross income is paid to a
50 trustee or trust, the names, addresses and nature of the sources
51 of the income;

52 (g) All retainers listed by type, but not amount,
53 received by each person or his spouse during the preceding
54 calendar year and up to the date of filing; for the purposes of
55 this chapter, "retainer" shall mean a consideration or fee paid on
56 a regular and continuing basis to a person for services, whether
57 or not specific services are performed by such person;

58 (h) Any representation or intervention by a person
59 specified under Section 25-4-25(a) and (d) for any person for
60 compensation in the preceding calendar year and up to the date of
61 filing before the Joint Legislative Budget Committee, State Fiscal
62 Management Board, the Public Service Commission, Oil and Gas
63 Board, Commissioner of Banking and Consumer Finance, State Board

64 of Banking Review, the State Personnel Board, the Central Data
65 Processing Authority or the State Tax Commission; provided,
66 however, that this provision shall not apply where such
67 representation involves only uncontested or routine matters. Such
68 statement shall identify the person represented and the nature of
69 the business involved; and

70 (i) The filing party shall list all public bodies from
71 which he or his spouse received compensation in excess of One
72 Thousand Dollars (\$1,000.00) during the preceding calendar year.

73 **SECTION 2.** Section 25-4-3, Mississippi Code of 1972, is
74 amended as follows:

75 25-4-3. As used in this chapter, unless the context requires
76 otherwise:

77 (a) "Advisory boards or commissions" means committees
78 created solely to provide technical or professional knowledge or
79 expertise to a parent organization, and whose members exercise no
80 direct authority to expend public funds other than reimbursement
81 for personal expenses incurred as a result of a member's service
82 on the advisory board;

83 (b) "Business" * * * means any corporation,
84 partnership, sole proprietorship, firm, enterprise, franchise,
85 association, organization, holding company, self-employed
86 individual, joint stock company, receivership, trust or other
87 legal entity or undertaking organized for economic gain; further,
88 "subsidiary business" means a business that is under the control
89 of, or is owned in part or whole, by another business, and, with
90 respect to such subsidiary business, "parent business" means the
91 business that controls or owns in part or whole the subsidiary
92 business;

93 (c) "Candidate for public office" * * * means an
94 individual who has filed the necessary documents or papers to
95 appear as a candidate for nomination for election or election to
96 any elective office existing under the laws of the State of

97 Mississippi, including primary, special or general elections. The
98 term "candidate" does not include any person within the meaning of
99 Section 301(b) of the Federal Election Campaign Act of 1971;

100 (d) "Commission" * * * means the Mississippi Ethics
101 Commission;

102 (e) "Compensation" * * * means money or thing of value
103 received, or to be received, from any person for services rendered
104 or to be rendered;

105 (f) "Income" * * * means money or thing of value
106 received, or to be received, from any source, including, but not
107 limited to, any salary, wage, advance, payment, dividend,
108 interest, rent, forgiveness of debt, fee, royalty or any
109 combination thereof;

110 (g) "Person" * * * means any individual, firm,
111 business, corporation, association, partnership, union or other
112 legal entity;

113 (h) "Public employee" * * * means any individual who
114 receives a salary, per diem or expenses paid in whole or in part
115 out of funds authorized to be expended by the Mississippi State
116 Legislature or by the governing body of any political subdivision
117 thereof, or any other body politic within the State of
118 Mississippi;

119 (i) "Public funds" * * * means all monies, whether
120 federal, state, district or local;

121 (j) "Public official" * * * means :

122 (i) Any elected official of the State of
123 Mississippi or any political subdivision thereof or any other body
124 politic within the State of Mississippi; or

125 (ii) Any member, officer, director, commissioner,
126 supervisor, chief, head, agent or employee of the State of
127 Mississippi, or any agency thereof, of any political subdivision
128 of the State of Mississippi, of any body politic within the State
129 of Mississippi, or of any public entity created by or under the

130 laws of the State of Mississippi or by executive order of the
131 Governor of the state, any of which is funded by public funds or
132 which expends, authorizes or recommends the use of public funds.

133 **SECTION 3.** Section 25-4-103, Mississippi Code of 1972, is
134 amended as follows:

135 25-4-103. The following definitions apply in this article
136 unless the context otherwise requires:

137 (a) "Authority" means any component unit of a
138 governmental entity.

139 (b) "Benefit" means any gain or advantage to the
140 beneficiary, including any gain or advantage to a third person
141 pursuant to the desire or consent of the beneficiary.

142 (c) "Business" means any corporation, partnership, sole
143 proprietorship, firm, enterprise, franchise, association,
144 organization, holding company, self-employed individual, joint
145 stock company, receivership, trust or other legal entity or
146 undertaking organized for economic gain, a nonprofit corporation
147 or other such entity, association or organization receiving public
148 funds; further, "subsidiary business" means a business that is
149 under the control of, or is owned in part or whole, by another
150 business, and, with respect to such subsidiary business, "parent
151 business" means the business that controls or owns in part or
152 whole the subsidiary business.

153 (d) "Business with which he is associated" means any
154 business of which a public servant or his relative is an officer,
155 director, owner, partner, employee or is a holder of more than ten
156 percent (10%) of the fair market value or from which he or his
157 relative derives more than One Thousand Dollars (\$1,000.00) in
158 annual income or over which such public servant or his relative
159 exercises control.

160 (e) "Compensation" means money or thing of value
161 received, or to be received, from any person for services
162 rendered.

163 (f) "Contract" means:

164 (i) Any agreement to which the government is a

165 party; or

166 (ii) Any agreement on behalf of the government

167 which involves the payment of public funds.

168 (g) "Government" means the state and all political

169 entities thereof, both collectively and separately, including, but

170 not limited to:

171 (i) Counties;

172 (ii) Municipalities;

173 (iii) All school districts;

174 (iv) All courts; and

175 (v) Any department, agency, board, commission,

176 institution, instrumentality, or legislative or administrative

177 body of the state, counties or municipalities created by statute,

178 ordinance or executive order including all units that expend

179 public funds.

180 (h) "Governmental entity" means the state, a county, a

181 municipality or any other separate political subdivision

182 authorized by law to exercise a part of the sovereign power of the

183 state.

184 (i) "Income" means money or thing of value received, or

185 to be received, from any source derived, including, but not

186 limited to, any salary, wage, advance, payment, dividend,

187 interest, rent, forgiveness of debt, fee, royalty, commission or

188 any combination thereof.

189 (j) "Intellectual property" means any formula, pattern,

190 compilation, program, device, method, technique or process created

191 primarily as a result of the research effort of an employee or

192 employees of an institution of higher learning of the State of

193 Mississippi.

194 (k) "Material financial interest" means a personal and

195 pecuniary interest, direct or indirect, accruing to a public

196 servant or spouse, either individually or in combination with each
197 other. Notwithstanding the foregoing, the following shall not be
198 deemed to be a material financial interest with respect to a
199 business with which a public servant may be associated:

200 (i) Ownership of any interest of less than ten
201 percent (10%) in a business where the aggregate annual net income
202 to the public servant therefrom is less than One Thousand Dollars
203 (\$1,000.00);

204 (ii) Ownership of any interest of less than two
205 percent (2%) in a business where the aggregate annual net income
206 to the public servant therefrom is less than Five Thousand Dollars
207 (\$5,000.00);

208 (iii) The income as an employee of a relative if
209 neither the public servant or relative is an officer, director or
210 partner in the business and any ownership interest would not be
211 deemed material pursuant to subparagraph (i) or (ii) herein; or

212 (iv) The income of the spouse of a public servant
213 when such spouse is a contractor, subcontractor or vendor with the
214 governmental entity that employs the public servant and the public
215 servant exercises no control, direct or indirect, over the
216 contract between the spouse and such governmental entity.

217 (l) "Pecuniary benefit" means benefit in the form of
218 money, property, commercial interests or anything else the primary
219 significance of which is economic gain. Expenses associated with
220 social occasions afforded public servants shall not be deemed a
221 pecuniary benefit.

222 (m) "Person" means any individual, firm, business,
223 corporation, association, partnership, union or other legal
224 entity, and where appropriate a governmental entity.

225 (n) "Property" means all real or personal property.

226 (o) "Public funds" means money belonging to the
227 government.

228 (p) "Public servant" means:

229 (i) Any elected or appointed official of the
230 government;

231 (ii) Any officer, director, commissioner,
232 supervisor, chief, head, agent or employee of the government or
233 any agency thereof, or of any public entity created by or under
234 the laws of the state of Mississippi or created by an agency or
235 governmental entity thereof, any of which is funded by public
236 funds or which expends, authorizes or recommends the use of public
237 funds; or

238 (iii) Any individual who receives a salary, per
239 diem or expenses paid in whole or in part out of funds authorized
240 to be expended by the government.

241 (q) "Relative" means the spouse, child or parent.

242 (r) "Securities" means stocks, bonds, notes,
243 convertible debentures, warrants, evidences of debts or property
244 or other such documents.

245 **SECTION 4.** This act shall take effect and be in force from
246 and after July 1, 2007.