

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas  
89th General Assembly  
Regular Session, 2013

As Engrossed: H3/18/13  
**A Bill**

HOUSE BILL 1786

By: Representative Hutchison

### **For An Act To Be Entitled**

AN ACT CONCERNING CONFLICTS OF INTEREST FOR STATE BOARDS, COMMISSIONS, AND ENTITIES RECEIVING STATE FUNDS; TO CLARIFY THE RESTRICTIONS ON THE PARTICIPATION OF A MEMBER OF A STATE BOARD OR COMMISSION OR A BOARD MEMBER OF AN ENTITY THAT RECEIVES STATE FUNDS IN A MATTER IN WHICH THE MEMBER HAS A PECUNIARY INTEREST; AND FOR OTHER PURPOSES.

### **Subtitle**

TO CLARIFY THE RESTRICTIONS ON THE PARTICIPATION OF A MEMBER OF A STATE BOARD OR COMMISSION OR A BOARD MEMBER OF AN ENTITY THAT RECEIVES STATE FUNDS IN A MATTER IN WHICH THE MEMBER HAS A PECUNIARY INTEREST.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 21-8-1001 is amended to read as follows:

~~(a)(1) No member of a state board or commission or board member of an entity receiving state funds shall participate in, vote on, influence, or attempt to influence an official decision if the member has a pecuniary interest in the matter under consideration by the board, commission, or entity.~~

~~(2) A member of a state board or commission or board member of an entity receiving state funds may participate in, vote on, influence, or attempt to influence an official decision if the only pecuniary interest that~~



~~may accrue to the member is incidental to his or her position or accrues to him or her as a member of a profession, occupation, or large class to no greater extent than the pecuniary interest could reasonably be foreseen to accrue to all other members of the profession, occupation, or large class.~~

~~(b) No member of a state board or commission or board member of an entity receiving state funds shall participate in any discussion or vote on a rule or regulation that exclusively benefits the member.~~

(a) As used in this section:

(1) "Affiliated member" means a member of a board;

(2) "Board" means a state board or commission or a similar state entity; and

(3) "Pecuniary interest in a matter under consideration" means that with respect to a matter under consideration by a board, an affiliated member or an affiliated member's immediate family:

(A) Has a financial interest in the matter under consideration;

(B) Has a financial interest in a business or organization that has a financial interest in the matter under consideration;

(C) Is negotiating or has an arrangement concerning prospective employment with a person, business, or organization that has a financial interest in the matter under consideration;

(D) Is on the governing body of a business or organization that has a financial interest in the matter under consideration; or

(E) During the preceding two (2) years, has received a form of compensation, including without limitation money, travel expenses, or gifts, from a business or organization that has a financial interest in the matter under consideration.

(b) An affiliated member shall not:

(1)(A) Participate in, vote on, influence, or attempt to influence an official decision of the board if the affiliated member has a pecuniary interest in the matter under consideration.

(B) However, an affiliated member may participate in, vote on, influence, or attempt to influence an official decision of the board if the only pecuniary interest that may accrue to the affiliated member is incidental to his or her position or accrues to him or her as a member of a profession, occupation, or large class to no greater extent than the

pecuniary interest could reasonably be foreseen to accrue to all other members of the profession, occupation, or large class; or

(2) Participate in a discussion or vote on a rule or regulation that exclusively benefits the affiliated member.

(c) Upon discovery of a possible conflict of interest under subdivision (b)(1) of this section, an affiliated member shall:

(1) Promptly file a written statement of disqualification with the board; and

(2) Withdraw from further participation in the matter under consideration.

*/s/Hutchison*