

- SUBJECT:** Disclosure of financial relationships by certain sports authority officers
- COMMITTEE:** Urban Affairs — committee substitute recommended
- VOTE:** 7 ayes — Talton, Van Arsdale, Menendez, Bailey, Edwards, Hunter, Wong  
0 nays
- WITNESSES:** None
- BACKGROUND:** Local Government Code, sec. 335.021 authorizes counties and municipalities to create a venue district to plan, build, or renovate venue projects such as sports facilities, subject to voter approval. Ch. 335, subch. F applies to a venue district in Harris County and establishes various rules governing the code of conduct for the venue district's director and employees.
- Local Government Code, ch. 171, and Government Code, ch. 553 and 573 govern financial disclosure, conflicts of interest, and nepotism prohibitions for certain governmental employees and officials.
- DIGEST:** CSHB 3021 would require a board member of a Harris county venue district, the mayor or county judge who appointed the district's board, and members of the municipal or county governing body that created the district to disclose to the district board and to the Texas Ethics Commission all business or financial relationships they had with any person doing business with the district. The district board would have to enter the disclosure into its minutes. A board member making such a disclosure could not vote on or participate in any action related to the person about whom the member made the disclosure. These disclosure requirements would be in addition to those under Local Government Code, ch. 171, and Government Code, ch. 553 and 573.
- Failure to make a disclosure required by the bill would constitute a third-degree felony, punishable by two to 10 years in prison and an optional fine of up to \$10,000.
- The bill would take effect September 1, 2003, and would not apply to an action taken or disclosure required before November 1, 2003.

- SUPPORTERS SAY:** CSHB 3021 would ensure transparency and openness in a Harris County venue district, eliminating any concern about potential conflicts of interest, corruption, or abuse of power. The bill is needed to deter to any impropriety or abuse by officials associated with the sports authority. By establishing clear guidelines, filing procedures, and a punishment for noncompliance, CSHB 3021 would prevent abuse before it occurs.
- OPPONENTS SAY:** While the bill's financial disclosure requirements would help preserve the integrity of a Harris County venue district, the proposed penalty of a third-degree felony would be too harsh. Violations of similar laws rarely are punished this severely. For example, failure by a state officer to file a financial statement is only a Class B misdemeanor, punishable by up to 180 days in jail and/or a maximum fine of \$2,000.
- NOTES:** As filed, HB 3021 would not have required financial disclosure by the mayor or county judge who appointed the board or by members of the municipal or county governing body that created the venue board.