

BILL ANALYSIS

Senate Research Center

H.B. 998
By: Hunter (Fraser)
Intergovernmental Relations
5-17-97
Engrossed

DIGEST

Chapter 171, Local Government Code, relates to the regulation of conflicts of interest of officers of municipalities, counties, and certain other local governments. The chapter restricts the involvement of a local official who has a substantial interest in a business entity in any local decisions regarding that entity. Currently, a person has a substantial interest in a business entity if the person owns \$5,000 or more of the fair market value of the entity. This bill will provide new regulations regarding the conflict of interests prohibition applying to a local official who has a substantial interest in a business entity.

PURPOSE

As proposed, H.B. 998 provides new regulations regarding the conflict of interests prohibition applying to a local official who has a substantial interest in a business entity.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 171.002(a), Local Government Code, to provide that a person has a substantial interest in a business entity if the person owns \$15,000, rather than \$5,000, or more of the fair market value of the business entity.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Emergency clause.
Effective date: upon passage.