

## BILL ANALYSIS

Senate Research Center  
79R18388 DLF-D

H.B. 914  
By: Woolley (Williams)  
State Affairs  
5/20/2005  
Committee Report (Amended)

### AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Currently, financial or business relationships between officers of local government entities and those who enter into contract with local government entities are not required to be disclosed. H.B. 914 requires that officers of local government entities and those who contract with local government entities or are considering doing business with such an entity make certain financial and business disclosures. The bill also establishes that failure to make a requisite disclosure is punishable as a Class C misdemeanor.

### RULEMAKING AUTHORITY

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

### SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subtitle C, Title 5, Local Government Code, by adding Chapter 176, as follows:

#### CHAPTER 176. DISCLOSURE OF CERTAIN RELATIONSHIPS WITH LOCAL GOVERNMENT OFFICERS

Sec. 176.001. DEFINITIONS. Defines "commission," "family member," "local governmental entity," "local government officer," and "records administrator."

Sec. 176.002. APPLICABILITY TO CERTAIN VENDORS AND OTHER PERSONS.

(a) Provides that this chapter applies to certain individuals.

(b) Provides that certain individuals are not subject to the disclosure requirements of this chapter.

Sec. 176.003. CONFLICTS DISCLOSURE STATEMENT REQUIRED. (a) Requires a local government officer to file a conflicts disclosure statement with respect to a person described by Section 176.002(a) under certain circumstances.

(b) Requires a local government officer to file the conflicts disclosure statement with the records administrator of the local governmental entity not later than 5 p.m. on the seventh business day after the date on which the officer becomes aware of the facts that require the filing of the statement under Subsection (a).

(c) Provides that a local government officer commits an offense if the officer knowingly violates this section. Provides that an offense under this subsection is a Class C misdemeanor.

(d) Provides that it is a defense to prosecution under Subsection (c) that the person filed the required conflicts disclosure statement not later than the seventh business day after the date the person received notice of the violation.

Sec. 176.004. CONTENTS OF DISCLOSURE STATEMENT. Requires the Texas Ethics Commission (commission) to adopt the conflicts disclosure statement for local

government officers. Sets forth certain requirements for the conflicts disclosure statement.

Sec. 176.005. APPLICATION TO CERTAIN EMPLOYEES. (a) Authorizes the local governmental entity to extend the requirements of Sections 176.003 and 176.004 to all or a group of the employees of the local governmental entity.

(b) Authorizes a local governmental entity to reprimand, suspend, or terminate the employment of an employee who fails to comply with a requirement adopted under this section.

(c) Provides that an employee of a local governmental entity commits an offense if the employee knowingly violates requirements imposed under this section. Provides that an offense under this subsection is a Class C misdemeanor.

(d) Provides that it is a defense to prosecution under Subsection (c) that the person filed the required conflicts disclosure statement not later than the seventh business day after the date the person received notice of the violation.

Sec. 176.006. DISCLOSURE REQUIREMENTS FOR VENDORS AND OTHER PERSONS; QUESTIONNAIRE. (a) Requires a person described by Section 176.002(a) to file a completed conflict of interest questionnaire with the appropriate records administrator not later than the seventh business day after certain events.

(b) Requires the commission to adopt a conflict of interest questionnaire for use under this section that requires disclosure of a person's affiliations or business relationships that might cause a conflict of interest with a local governmental entity.

(c) Sets forth certain requirements of the person filing the questionnaire adopted under Subsection (b) for the local governmental entity with respect to which the questionnaire is filed.

(d) Requires a person described by Subsection (a) to file an updated completed questionnaire with the appropriate records within a certain timeframe.

(e) Sets forth exceptions to Subsection (d).

(f) Provides that a person commits an offense if the person violates this section. Provides that an offense under this subsection is a Class C misdemeanor.

(g) Provides that it is a defense to prosecution under Subsection (f) that the person filed the required questionnaire not later than the seventh business day after the date the person received notice of the violation.

Sec. 176.007. LIST OF GOVERNMENT OFFICERS. Requires the records administrator for a local governmental entity to maintain a list of local government officers of the entity and to make that list available to the public and any person who may be required to file a questionnaire under Section 176.006.

Sec. 176.008. ELECTRONIC FILING. Authorizes the requirements of this chapter, including signature requirements, to be satisfied by electronic filing in a form approved by the commission.

Sec. 176.009. POSTING ON INTERNET. Requires a local governmental entity to provide access to the statements and questionnaires filed under this chapter on the Internet website maintained by the local governmental entity.

Sec. 176.010. NOTICE OF MEETING OF GOVERNING BODY. Sets forth certain requirements of the notice required under Subchapter C, Chapter 551 (Open Meetings), Government Code, of a meeting of the governing body of a local governmental entity at

which the governing body will consider a contract or proposed contract for the sale or purchase of property, goods, or services.

Sec. 176.011. REQUIREMENTS CUMULATIVE. Provides that the requirements of this chapter are in addition to any other disclosure required by law.

SECTION 2. Requires the commission to adopt the conflicts disclosure statement and the conflict of interest questionnaire required by Chapter 176, Local Government Code, as added by this Act, not later than December 1, 2005.

SECTION 3. (a) Provides that a local government officer is not required to file a conflicts disclosure statement under Chapter 176, Local Government Code, as added by this Act, before January 1, 2006.

(b) Provides that a person described by Section 176.002(a), Local Government Code, as added by this Act, is not required to file a conflict of interest questionnaire under Chapter 176, Local Government Code, as added by this Act, before January 1, 2006.

SECTION 4. Effective date: upon passage or September 1, 2005.

### **SUMMARY OF COMMITTEE CHANGES**

#### **Committee Amendment No. 1:**

Amends H.B. 914 (house engrossed printing), in SECTION 1 of the bill, in added Chapter 176, Local Government Code, by striking Section 176.010 (page 8, lines 17-27, and page 9, lines 1-5), and renumbering Section 176.011 of the chapter accordingly.

#### **Committee Amendment No. 2:**

Amends H.B. 914 (house engrossed printing), in SECTION 1 of the bill, in added Section 176.003(a)(2)(B), Local Government Code, by inserting "other than gifts of food, lodging, transportation, or entertainment as accepted as a guest, between "gifts" and "that" (page 3, line 11).