

By: Kitzman

H.B. No. 5237

A BILL TO BE ENTITLED

AN ACT

relating to the disclosure of certain contributions, expenditures,  
and gifts between local government officers and vendors.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle C, Title 5, Local Government Code, is  
amended by adding Chapter 176A to read as follows:

CHAPTER 176A. DISCLOSURE OF CONTRIBUTIONS, EXPENDITURES, AND GIFTS  
BETWEEN LOCAL GOVERNMENT OFFICERS AND VENDORS

Sec. 176A.001. DEFINITIONS. In this chapter:

(1) "Agent," "commission," "contract," "family member," "gift," "local governmental entity," "local government officer," and "records administrator" have the meanings assigned by Section 176.001.

(2) "Contribution," "expenditure," and "political committee" have the meanings assigned by Section 251.001, Election Code.

(3) "Vendor" means a person who enters or seeks to enter into a contract with a local governmental entity. The term includes:

(A) an agent of a vendor; and

(B) an officer or employee of a governmental entity if that individual is acting in a private capacity to enter into the contract.

Sec. 176A.002. APPLICABILITY. This chapter applies only

1 to:

2 (1) a local governmental entity with a population of  
3 eight hundred thousand or more;

4 (2) a local governmental entity located in a county  
5 with a population of eight hundred thousand or more; and

6 (3) a local government officer of a local governmental  
7 entity described by Subdivision (1) or (2).

8 Sec. 176A.003. CONFLICTS DISCLOSURE STATEMENT REQUIRED FOR  
9 LOCAL GOVERNMENT OFFICERS. (a) A local government officer shall  
10 file a conflicts disclosure statement with respect to a vendor if:

11 (1) the local governmental entity begins negotiations  
12 to enter into a contract with the vendor; and

13 (2) at any time during the period beginning 24 months  
14 before the date on which the negotiations begin and ending on the  
15 date the negotiations are completed, the officer, a family member  
16 of the officer, or an employee of the local governmental entity  
17 accepted contributions or gifts that have an aggregate value of  
18 \$100 or more from the vendor, a political committee controlled by  
19 the vendor, or a person the vendor or political committee solicited  
20 to make the contribution or gift.

21 (b) A local government officer shall file the conflicts  
22 disclosure statement required under Subsection (a) with the records  
23 administrator of the local governmental entity not later than the  
24 30th day after the later of the date:

25 (1) the negotiations described by Subsection (a)  
26 began; or

27 (2) a contribution or gift is made that triggers the

1 disclosure requirements under Subsection (a).

2 (c) The commission shall adopt the conflicts disclosure  
3 statement form for a local government officer's use under this  
4 section. The conflicts disclosure statement must include:

5 (1) a description of each contribution or gift  
6 described by Subsection (a)(2);

7 (2) an acknowledgment from the officer that:

8 (A) the disclosure applies to the officer, each  
9 family member of the officer, and each employee of the local  
10 governmental entity; and

11 (B) the statement covers the period described by  
12 Subsection (a)(2); and

13 (3) the officer's signature acknowledging that the  
14 statement is made under oath under penalty of perjury.

15 Sec. 176A.004. CONFLICTS DISCLOSURE STATEMENT REQUIRED FOR  
16 VENDORS. (a) A vendor that begins negotiations with a local  
17 governmental entity to enter into a contract shall file a conflicts  
18 disclosure statement if:

19 (1) the vendor, a political committee controlled by  
20 the vendor, or a person the vendor or political committee solicits  
21 to make contributions or gifts for the vendor makes a contribution  
22 or gift described by Section 176A.003(a)(2); or

23 (2) at any time during the period beginning 24 months  
24 before the date on which the negotiations for the contract begin and  
25 ending on the date the negotiations are completed, a local  
26 government officer, a family member of the officer, or an employee  
27 of the local governmental entity made expenditures or gifts that

1 have an aggregate value of \$50 or more to the vendor or a political  
2 committee controlled by the vendor.

3 (b) The vendor shall file the conflicts disclosure  
4 statement with the records administrator of the local governmental  
5 entity not later than the 30th day after the later of the date:

6 (1) the negotiations described by Subsection (a)  
7 began; or

8 (2) a contribution, expenditure, or gift is made that  
9 triggers the disclosure requirements under Subsection (a).

10 (c) The commission shall adopt a conflicts disclosure  
11 statement for a vendor's use under this section. The conflicts  
12 disclosure statement must include:

13 (1) a description of each contribution, expenditure,  
14 or gift described by Subsection (a); and

15 (2) the vendor's signature acknowledging that the  
16 statement is made under oath under penalty of perjury.

17 Sec. 176A.005. MAINTENANCE OF RECORDS. Each records  
18 administrator shall:

19 (1) maintain a list of local government officers of  
20 the local governmental entity and shall make that list available to  
21 the public and any vendor who may be required to file a conflicts  
22 disclosure statement under Section 176A.004; and

23 (2) maintain the statements that are required to be  
24 filed under this chapter in accordance with the local governmental  
25 entity's records retention schedule.

26 Sec. 176A.006. ELECTRONIC FILING. The requirements of this  
27 chapter, including signature requirements, may be satisfied by

1 electronic filing in a form approved by the commission.

2 Sec. 176A.007. POSTING ON INTERNET. A local governmental  
3 entity that maintains an Internet website shall provide access to  
4 the conflicts disclosure statements required to be filed under this  
5 chapter on the website. This subsection does not require a local  
6 governmental entity to maintain an Internet website.

7 Sec. 176A.008. REQUIREMENTS CUMULATIVE. The requirements  
8 of this chapter are in addition to any other disclosure required by  
9 law.

10 Sec. 176A.009. APPLICATION OF PUBLIC INFORMATION LAW. This  
11 chapter does not require a local governmental entity to disclose  
12 any information that is excepted from disclosure by Chapter 552,  
13 Government Code.

14 Sec. 176A.010. NONDISCLOSURE; CONTRACT PROHIBITION. If a  
15 local government officer or a vendor fails to file a required  
16 conflicts disclosure statement under this chapter, the local  
17 governmental entity and vendor may not enter into a contract before  
18 the fifth anniversary of the date the statement was required to be  
19 filed.

20 SECTION 2. Not later than December 1, 2023, the Texas Ethics  
21 Commission shall adopt the conflicts disclosure statement forms  
22 required by Chapter 176A, Local Government Code, as added by this  
23 Act.

24 SECTION 3. Notwithstanding Chapter 176A, Local Government  
25 Code, as added by this Act, a local government officer and a vendor  
26 are not required to file a conflicts disclosure statement under  
27 that chapter before January 1, 2024.

1           SECTION 4. Chapter 176A, Local Government Code, as added by  
2 this Act, does not apply to a contract entered into before January  
3 1, 2024.

4           SECTION 5. This Act takes effect September 1, 2023.