

BILL ANALYSIS

Senate Research Center

S.B. 755
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Intergovernmental Relations
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Enrolled

DIGEST AND PURPOSE

Currently, an officer of a governmental body who has a financial interest in a contract before the body may not enter into the contract. The attorney general concluded that a grant being awarded by a council was subject to this conflict of interest rule and therefore could not be given to the employer of a council member.

S.B. 755 requires an executive committee member to disclose their conflict of interest regarding a particular grant due to their employment. The committee member is also precluded from voting or even participating in a discussion that relates to the awarding of the grant.

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 Chapter 487C, Government Code, by adding Section 487.059, as follows:

Sec. 487.059. DISCLOSURE OF FINANCIAL INTEREST OR EMPLOYMENT. (a) Defines “financial interest in an entity,” and “monetary award.”

(b) Requires the committee member, if a member of the executive committee or another committee established under this chapter, including an advisory committee, has a financial interest in an entity that applies for a monetary award, before a vote on the monetary award, to disclose the fact of the member's financial interest. Requires the committee to enter the disclosure into the minutes of the meeting at which a vote on the monetary award is taken. Prohibits the committee member from voting on or otherwise participating in a discussion or any other activity that relates to awarding the monetary award. Provides that if the committee member does not comply with this subsection, the entity is not eligible for the monetary award.

(c) Provides that if the executive director has a financial interest in an entity that applies for a monetary award, the executive director has certain guidelines to follow.

(d) Provides that if the executive director does not comply with Subsection (c), the entity in which the executive director has a financial interest is not eligible for the monetary award.

(e) Provides that Subsections (f) and (g) apply only to a member of the executive committee who is employed by an entity that offers to enter into a contract with the office or an entity that is under common ownership or governance with or otherwise affiliated with an entity that applies for a monetary award or offers to enter into a contract with the office.

(f) Requires the executive committee member, before a vote on the monetary award or contract, to disclose the fact of the member's employment by the entity. Requires the executive committee to enter the disclosure into the minutes of the meeting at which a vote

on the monetary award or contract is taken. Prohibits the executive committee member from voting on or otherwise participating in a discussion or any other activity that relates to awarding the monetary award or contract.

(g) Provides that if the executive committee member does not comply with Subsection (f), the entity is not eligible to be awarded the monetary award or contract.

SECTION 2. Effective date: upon passage or September 1, 2003.