

By: Woolley

H.B. No. 3021

A BILL TO BE ENTITLED

AN ACT

relating to the disclosure of certain business or financial relationships of certain local governmental officers; imposing a criminal penalty.

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 176 to read as follows:

CHAPTER 176. DISCLOSURE OF CERTAIN RELATIONSHIPS WITH LOCAL GOVERNMENT OFFICERS

Sec. 176.001. APPLICABILITY OF CHAPTER. This chapter applies only to:

- (1) a county with a population of 2.2 million or more;
- (2) a municipality with a population of 1.6 million or more; and
- (3) a local governmental entity that is appointed by a county or municipality described by this section.

Sec. 176.002. DEFINITIONS. In this chapter:

(1) "Family member" means a person related to another person within the first degree by consanguinity or affinity, as described by Subchapter B, Chapter 573, Government Code.

(2) "Local governmental entity" means a local government corporation, board, commission, district, or authority to which a member is appointed by the commissioners court of a county, the mayor of a municipality, or the governing body of a

1 municipality.

2 (3) "Local government officer" means:

3 (A) a county judge;

4 (B) a county commissioner;

5 (C) a mayor;

6 (D) a municipal attorney;

7 (E) a member of the governing body of a
8 municipality;

9 (F) a city manager of a municipality; and

10 (G) any member of a local governmental entity
11 appointed by the commissioners court of a county, a mayor, or the
12 governing body of a municipality.

13 Sec. 176.003. APPLICABILITY TO CERTAIN VENDORS AND OTHER
14 PERSONS. (a) This chapter applies to a person who:

15 (1) contracts or seeks to contract for the sale or
16 purchase of property, goods, or services with a county,
17 municipality, or local governmental entity; or

18 (2) seeks the approval of a plat or permit with the
19 commissioners court of a county, the governing body of a
20 municipality, or a local governmental entity.

21 (b) A person is not subject to this chapter under Subsection
22 (a) if the person is:

23 (1) a state, a political subdivision of a state, the
24 federal government, or a foreign government; or

25 (2) an employee of an entity described by Subdivision
26 (1), acting in the employee's official capacity.

27 Sec. 176.004. CONFLICTS DISCLOSURE STATEMENT. (a) The

1 commissioners court of a county or the governing body of a
2 municipality shall adopt a conflicts disclosure statement for local
3 government officers of the county or municipality or the local
4 governmental entity to which the commissioners court of the county,
5 mayor of the municipality, or governing body of the municipality
6 appoints a member. The conflicts disclosure statement must
7 include:

8 (1) a requirement that each local government officer
9 disclose:

10 (A) an employment or other business relationship
11 of the local government officer or a family member of the local
12 government officer with a person described by Section 176.003(a)
13 that results in the local government officer receiving taxable
14 income, including the nature and extent of the relationship; and

15 (B) gifts received by the local government
16 officer and any family member of the local government officer from a
17 person described by Section 176.003(a) in the 12-month period
18 before the date of the statement that have a total value of more
19 than \$250;

20 (2) an acknowledgment from the local government
21 officer that:

22 (A) the disclosure applies to a family member of
23 the local government officer; and

24 (B) the statement covers the 12-month period
25 before the date of the statement; and

26 (3) the signature of the local government officer
27 acknowledging that the statement is made under oath under penalty

1 of perjury.

2 (b) A local government officer shall file a conflicts
3 disclosure statement with the custodian of the records of the
4 governing body of the county, municipality, or local governmental
5 entity not later than 5 p.m. on the first business day on which the
6 local government officer becomes aware of the relationship between
7 the county, municipality, or local governmental entity and the
8 person described by Section 176.003(a) if:

9 (1) the person has contracted with the county,
10 municipality, or local governmental entity;

11 (2) the county, municipality, or local governmental
12 entity is considering doing business with the person; or

13 (3) the person has offered one or more gifts that have
14 a total value of more than \$250 to that local government officer or
15 a family member of the local government officer in the 12-month
16 period preceding the date the local government officer becomes
17 aware of the relationship between the county, municipality, or
18 local governmental entity and the person.

19 (c) If the governing board of a local governmental entity is
20 appointed by both the commissioners court of a county and the mayor
21 or governing body of a municipality, the local government officers
22 of the local governmental entity shall use the conflicts disclosure
23 statement adopted by the commissioners court.

24 (d) A person commits an offense if the person is a local
25 government officer and the person fails to file the conflicts
26 disclosure statement as required by Subsection (b). An offense
27 under this subsection is a Class B misdemeanor.

1 (e) A county or municipality may extend the requirements of
2 this section to all or a group of the employees of the county or
3 municipality or of a local governmental entity of the county or
4 municipality. A county, municipality, or local governmental entity
5 may reprimand, suspend, or terminate an employee who fails to
6 comply with a requirement adopted under this section.

7 Sec. 176.005. DISCLOSURE REQUIREMENTS FOR VENDORS AND OTHER
8 PERSONS; QUESTIONNAIRE. (a) This section applies only to a person
9 described by Section 176.003(a) who:

10 (1) responds to a request for proposals or bids of a
11 county, municipality, or local governmental entity;

12 (2) communicates with a county, municipality, or local
13 governmental entity in connection with a potential agreement
14 between the person and the county, municipality, or local
15 governmental entity; or

16 (3) requests action by the county, municipality, or
17 local governmental entity on a plat or permit.

18 (b) The commissioners court of a county or the governing
19 body of a municipality shall adopt a conflict of interest
20 questionnaire that requires disclosure of a person's affiliations
21 or business relationships that might cause a conflict of interest.

22 (c) A person described by Subsection (a) shall file a
23 completed conflict of interest questionnaire with the custodian of
24 records of the county, municipality, or local governmental entity
25 not later than the seventh day after the date that the person:

26 (1) begins contract discussions or negotiations with
27 the county, municipality, or local governmental entity;

1 (2) forwards to the county, municipality, or local
2 governmental entity an application, response to a request for
3 proposals or bids, correspondence, or another writing related to a
4 potential agreement with the county, municipality, or local
5 governmental entity; or

6 (3) submits a request for approval of a plat or permit.

7 (d) A person described by Subsection (a) shall file an
8 updated completed questionnaire with the custodian of records of
9 the county, municipality, or local governmental entity not later
10 than:

11 (1) September 1 of each year in which an activity
12 described by Subsection (a) is pending; and

13 (2) the seventh day after the date of an event that
14 would make a statement in the questionnaire incomplete or
15 inaccurate.

16 (e) A contract entered into by the county, municipality, or
17 local governmental entity and a person described by Subsection (a)
18 is voidable if the person violates this section. The contract must
19 state the substance of this subsection.

20 Sec. 176.006. ELECTRONIC FILING. The requirements of this
21 chapter, including signature requirements, may be satisfied by
22 electronic filing in a form approved by the county, municipality,
23 or local governmental entity.

24 Sec. 176.007. POSTING ON INTERNET. A county or
25 municipality that adopts a conflicts disclosure statement and a
26 conflict of interest questionnaire under this chapter shall provide
27 access to the statements and questionnaires filed under this

1 chapter, including any statement or questionnaire filed in relation
2 to a local governmental entity of the county or municipality, on the
3 Internet website maintained by the county or municipality.

4 Sec. 176.008. REQUIREMENTS CUMULATIVE. The requirements of
5 this chapter are in addition to any other disclosure required by
6 law.

7 SECTION 2. Section 176.005(e), Local Government Code, as
8 added by this Act, applies only to a contract entered into on or
9 after the effective date of this Act.

10 SECTION 3. Each county and municipality subject to Chapter
11 176, Local Government Code, as added by this Act, shall adopt the
12 conflicts disclosure statement and the conflict of interest
13 questionnaire required by that chapter not later than December 31,
14 2003.

15 SECTION 4. (a) A local government officer is not required
16 to file a conflicts disclosure statement under Chapter 176, Local
17 Government Code, as added by this Act, before January 1, 2004.

18 (b) A person described by Section 176.003(a), Local
19 Government Code, as added by this Act, is not required to file a
20 conflict of interest questionnaire under Chapter 176, Local
21 Government Code, as added by this Act, before January 1, 2004.