

BILL ANALYSIS

C.S.H.B. 914
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Urban Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Currently financial or business relationships between officers of local government entities and those who enter into contracts with local government entities are not required to be disclosed. Disclosures of this type can detail employment of other business relationships that may exist between local government officers or their family members. More importantly, disclosure can improve public confidence in governmental actions.

C.S.H.B 914 would require that officers of local government entities and those who contract with local government entities or are considering doing business with a local government entity make certain financial and business disclosures. The bill also establishes that failure to make a requisite disclosure is punishable by a Class C misdemeanor.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

Adds Chapter 176 to the Local Government Code to establish disclosure of relationships with local government officers. A local government officer must file a conflicts disclosure statement if that government officer has a business partner or family member that has contracted or is being considered for a contract with the local government entity. A disclosure statement is also required by the government officer if that officer or a family member of that officer receives one or more gifts in a year's time worth more than an aggregate of \$250 from a person that has contracted or is being considered for a contract with the local government entity.

A disclosure statement must be filed not later than 5 p.m. with the local government's records administrator on the seventh business day after the date the officer became aware of the facts requiring a disclosure filing. Failure to file the required statement is a Class C misdemeanor.

The Texas Ethics Commission will shall adopt a conflicts disclosure statement required under this Chapter.

The local government entity may extend the requirements for filing a disclosure statement to employees of a local government entity and may reprimand, suspend, or terminate an employee who fails to comply with the requirements. An offense by an employee under this chapter is a Class C misdemeanor.

A person or agent of a person seeking a contract with the local government entity must complete a conflict of interest questionnaire, adopted by the Texas Ethics Commission, describing any business relationship that exists with officers of the local government entity that may cause a conflict of interest. The questionnaire must be filled out within seven business days of the beginning of contract negotiations or any documentation related to a request for proposal or bid. The person must file an update to the questionnaire not later than September 1 of each year if a bid or proposal is pending, unless a questionnaire was filed between June 1 and September 1 of that year.

Any public hearings in which the governing body will consider a contract or proposed contract must include a list of all disclosure statements by the government officers, employee, or person or agent of that person seeking or holding a contract.

EFFECTIVE DATE

This Act takes effect September 1, 2005 or immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution.

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.H.B. 914 modifies the original bill by adding language which provides a defense to prosecution for a local government officer or employee of the local government entity who files the required conflicts disclosure statement not later than the seventh business day after the date the person received notice of the violation.

The Committee Substitute adds a requirement that all disclosure statements related to a contract or proposed contract be listed along with the posting of the public hearing in which the contract will be considered.

The Committee Substitute removes language requiring a disclosure statement relating to approval of a plat or a request for a permit or license. The substitute also removes language requiring disclosure of any offering of gifts to government officers totaling more \$250. Finally, the committee substitute requires that the gift or gifts be accepted by the government officer to require disclosure.