

## **BILL ANALYSIS**

Senate Research Center

H.B. 1708  
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Intergovernmental Relations  
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Engrossed

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

A regional mobility authority (RMA) is formulated to study, plan, and execute road construction projects designed to address transportation needs of citizens in high traffic congestion areas. RMAs deal solely with planning and constructing toll-designated roads designed to provide viable alternatives to existing roadways. While the members of these transit planning organizations give their time to the careful planning of road construction, the opportunity to profit from board service is not entirely absent. Situations can and have arisen where board members find themselves in position to aid in policy decisions that have great potential to affect their business or real estate investments. H.B. 1708 addresses this issue by requiring all RMA board members to file financial disclosure information in order to avoid a situation of conflict of interest.

### **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 Subchapter F, Chapter 370, Transportation Code, by adding Sections 370.2521, 370.2522, and 370.2523, as follows:

Sec. 370.2521. FILING OF FINANCIAL STATEMENT BY DIRECTOR. (a) Requires a director [of a regional mobility authority], except as provided by Subsection (c), (d), or (e), to file the financial statement required of state officer under Subchapter B (Personal Financial Disclosure, Standards of Conduct, and Conflict of Interest), Chapter 572, Government Code, with the Texas Ethics Commission.

(b) Provides that Subchapter B, Chapter 572, Government Code, applies to a director as if the director were a state officer and governs the contents, timeliness of filing, and public inspection of a statement filed under Subsection (a).

(c) Provides that Subsection (a) does not apply to a director who is a state officer subject to Subchapter B, Chapter 572, Government Code.

(d) Requires a director who is a municipal officer subject to Chapter 145 (Financial Disclosure by and Standards of Conduct for Local Government Officers), Local Government Code, or a county officer subject to Subchapter A (Financial Disclosure by Certain County Officers), Chapter 159, Local Government Code, to file with the Texas Ethics Commission a copy of the financial statement filed under Chapter 145, Local Government Code, or Subchapter A, Chapter 159, Local Government Code, as applicable. Provides that Subchapter B, Chapter 572, Government Code, governs the timeliness of filing and public inspection of a copy of a statement filed under this subsection.

(e) Provides that Subsection (a) does not apply to an authority if each county that is part of the authority has population of less than 200,000. Authorizes the commissioners courts of the counties that are a part of an authority to which this subsection applies to jointly adopt a process that requires the directors of the

authority to disclose personal financial activity as specified by the commissioners courts.

(f) Provides that a person subject to Subsection (a) or (d) commits an offense if the person fails to file the statement required by Subsection (a) or the copy required by Subsection (d), as applicable. Provides that an offense under this subsection is a Class B misdemeanor.

Sec. 370.2522. APPLICABILITY OF CONFLICTS OF INTEREST LAW TO DIRECTORS. (a) Provides that a director is considered to be a local public official for purposes of Chapter 171 (Regulation of Conflicts of Interest of Officers of Municipalities, Counties, and Certain Other Local Governments), Local Government Code.

(b) Provides that for purposes of Chapter 171, Local Government Code, a director, in connection with a vote or decision by the board, is considered to have substantial interest in a business entity if a person related to the director in the second degree by consanguinity, as determined under Chapter 573 (Degrees of Relationship; Nepotism Prohibitions), Government Code, has a substantial interest in the business entity.

Sec. 370.2523. APPLICABILITY OF NEPOTISM LAWS. Provides that a director is a public official for purposes of Chapter 573, Government Code.

SECTION 2. Amends Section 370.258(a), Transportation Code, to authorize an authority to indemnify one or more of its directors or officer for necessary expenses and costs, including attorney's fees, incurred by the directors of officers in connection with any claim asserted against the directors or officers in their respective capacities as directors or officers only if a majority of the directors who are not seeking indemnity find that, in connection with the claim, the directors or officers are not guilty of negligence or misconduct.

SECTION 3. (a) Makes application of Section 370.2521, Transportation Code, as added by this Act, prospective to January 1, 2006.

(b) Makes application of Sections 370.2522 and 370.2523, Transportation Code, as added by this Act, prospective.

SECTION 4. Effective date: September 1, 2005.