

## **BILL ANALYSIS**

H.B. 1708  
By: Baxter  
Elections  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Regional Mobility Authorities (RMA) are 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 unselfishly devote 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. House Bill 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**

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**

House Bill 1708 amends the Transportation Code by requiring directors of Regional Mobility Authorities (directors) to file with the Texas Ethics Commission the same financial statement required of state officers. The bill requires a director who is a municipal or county officer already required to file a local financial disclosure report to file that report with the Texas Ethics Commission, rather than with the municipality or county. The bill provides that an individual who is required to file the financial statement and fails to do so commits a Class B misdemeanor.

The bill provides that a director is considered to be a local public official for the purposes of provisions relating to conflicts of interest and nepotism. For the purposes of provisions relating to conflicts of interest of local public officials, the bill provides that 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 closely related to the director has a substantial interest in that entity.

The bill modifies provisions relating to the indemnification of directors or officers of a Regional Mobility Authority by adding that an authority may only indemnify one or more directors or officers for necessary expensed and costs, 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.

### **EFFECTIVE DATE**

September 1, 2005; Sections relating to the required filing of a financial statement apply beginning January 1, 2006.