

AN ACT

relating to requiring state agency purchasing personnel to disclose certain family relationships with business entities receiving certain state agency contracts.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter A, Chapter 2262, Government Code, is amended by adding Section 2262.004 to read as follows:

Sec. 2262.004. REQUIRED NEPOTISM DISCLOSURE. (a) In this section:

(1) "Major stockholder" means a person who directly or indirectly owns or controls more than a 10 percent interest or a pecuniary interest with a value exceeding \$25,000 in a business entity.

(2) "Purchasing personnel" means an employee of a state agency who makes decisions on behalf of the state agency or recommendations regarding:

(A) contract terms or conditions on a major contract;

(B) who is to be awarded a major contract;

(C) preparation of a solicitation for a major contract; or

(D) evaluation of a bid or proposal.

(b) Before a state agency may award a major contract for the purchase of goods or services to a business entity, each of the

1 state agency's purchasing personnel working on the contract must
2 disclose in writing to the administrative head of the state agency
3 any relationship the purchasing personnel is aware about that the
4 employee has with an employee, a partner, a major stockholder, a
5 paid consultant with a contract with the business entity the value
6 of which exceeds \$25,000, or other owner of the business entity that
7 is within a degree described by Section 573.002.

8 (c) The state auditor shall develop a form for use in
9 reporting a relationship under Subsection (b).

10 (d) Notwithstanding Section 2262.001 or 2262.002, this
11 section applies to:

12 (1) an institution of higher education as defined by
13 Section 61.003, Education Code; and

14 (2) contracts of the Texas Department of
15 Transportation that relate to highway construction or highway
16 engineering.

17 SECTION 2. Section 2262.004, Government Code, as added by
18 this Act, applies only to a contract awarded or extended on or after
19 the effective date of this Act.

20 SECTION 3. This Act takes effect September 1, 2005.

President of the Senate

Speaker of the House

I certify that H.B. No. 2932 was passed by the House on May 10, 2005, by the following vote: Yeas 144, Nays 0, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2932 was passed by the Senate on May 24, 2005, by the following vote: Yeas 30, Nays 1.

Secretary of the Senate

APPROVED: _____

Date

Governor