

By: Delisi

H.B. No. 2932

A BILL TO BE ENTITLED

1 AN ACT

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

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

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

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

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

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

17 (A) contract terms or conditions on any contract;  
18 or

19 (B) who is to be awarded any contract.

20 (b) Before a state agency may award a state contract for the  
21 purchase of goods or services to a business entity, each of the  
22 state agency's purchasing personnel working on the contract must  
23 disclose in writing to the administrative head of the state agency  
24 any relationship the purchasing personnel is aware about that the

1 employee has with an employee, a partner, a major stockholder, or  
2 other owner of the business entity that is within a degree described  
3 by Section 573.002.

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

6 (d) Notwithstanding Section 2262.001 or 2262.002, this  
7 section applies to:

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

10 (2) contracts of the Texas Department of  
11 Transportation that relate to highway construction or highway  
12 engineering.

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

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