

1-1 By: Delisi, et al. (Senate Sponsor - Zaffirini) H.B. No. 2932
1-2 (In the Senate - Received from the House May 11, 2005;
1-3 May 13, 2005, read first time and referred to Committee on
1-4 Government Organization; May 23, 2005, reported favorably by the
1-5 following vote: Yeas 5, Nays 0; May 23, 2005, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to requiring state agency purchasing personnel to disclose
1-9 certain family relationships with business entities receiving
1-10 certain state agency contracts.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Subchapter A, Chapter 2262, Government Code, is
1-13 amended by adding Section 2262.004 to read as follows:

1-14 Sec. 2262.004. REQUIRED NEPOTISM DISCLOSURE. (a) In this
1-15 section:

1-16 (1) "Major stockholder" means a person who directly or
1-17 indirectly owns or controls more than a 10 percent interest or a
1-18 pecuniary interest with a value exceeding \$25,000 in a business
1-19 entity.

1-20 (2) "Purchasing personnel" means an employee of a
1-21 state agency who makes decisions on behalf of the state agency or
1-22 recommendations regarding:

1-23 (A) contract terms or conditions on a major
1-24 contract;

1-25 (B) who is to be awarded a major contract;

1-26 (C) preparation of a solicitation for a major
1-27 contract; or

1-28 (D) evaluation of a bid or proposal.

1-29 (b) Before a state agency may award a major contract for the
1-30 purchase of goods or services to a business entity, each of the
1-31 state agency's purchasing personnel working on the contract must
1-32 disclose in writing to the administrative head of the state agency
1-33 any relationship the purchasing personnel is aware about that the
1-34 employee has with an employee, a partner, a major stockholder, a
1-35 paid consultant with a contract with the business entity the value
1-36 of which exceeds \$25,000, or other owner of the business entity that
1-37 is within a degree described by Section 573.002.

1-38 (c) The state auditor shall develop a form for use in
1-39 reporting a relationship under Subsection (b).

1-40 (d) Notwithstanding Section 2262.001 or 2262.002, this
1-41 section applies to:

1-42 (1) an institution of higher education as defined by
1-43 Section 61.003, Education Code; and

1-44 (2) contracts of the Texas Department of
1-45 Transportation that relate to highway construction or highway
1-46 engineering.

1-47 SECTION 2. Section 2262.004, Government Code, as added by
1-48 this Act, applies only to a contract awarded or extended on or after
1-49 the effective date of this Act.

1-50 SECTION 3. This Act takes effect September 1, 2005.

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