

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**March 9, 2005**

**TO:** Honorable Robert Talton, Chair, House Committee on Urban Affairs

**FROM:** John S. O'Brien, Deputy Director, Legislative Budget Board

**IN RE: HB914** by Woolley (Relating to disclosure of certain business or financial relationships with certain local government officers; providing criminal penalties.), **Committee Report 1st House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill would establish criteria for when a local government officer must file a disclosure statement identifying conflict of interest when certain vendors or other persons seek to enter into certain arrangements with the local government entity. The bill would authorize a local government entity to extend the requirements associated with filing a conflict disclosure statement to all or a group of the entity's employees. The Texas Commission on Ethics would be required by December 1, 2005 to adopt a conflict disclosure statement for local government officers and a conflict of interest questionnaire for persons seeking to enter into an arrangement with a local government entity.

The bill would require a local government entity to maintain a list of local government officers of the entity and make that list available to the public and to any person who may be required to file a questionnaire. A local government entity would be required to provide access through the entity's Internet website to the statements and questionnaires filed. When the governing board posts notice of a public hearing related to a contract or proposed contract, a copy of each applicable conflict disclosure statement or questionnaire must be included with the agenda item related to the contract.

A violation for failure to file a statement or a questionnaire would be a Class C misdemeanor offense. A local government officer or a person affected by the provisions of the bill would not be required to file a statement or a questionnaire before January 1, 2006. The bill would take effect immediately if it receives the required two-thirds vote in each house; otherwise, it would take effect September 1, 2005.

The Texas Ethics Commission indicates that the new responsibilities that would be placed on the agency could be absorbed using existing resources.

**Local Government Impact**

The administrative responsibilities that would be added to a local government entity as a result of passage of the bill would vary by entity. While the Fort Worth Independent School District, City of Lubbock, and Bexar County indicated to the Comptroller's office that the added administrative responsibilities would require an increase of at least one full-time-equivalent position, it is anticipated that these additional costs would not be significant (less than 1 percent of the total budget).

If a local government entity does not already maintain an Internet website, the cost to establish one to comply with the requirement to make statements and questionnaires available online would create a cost that could be significant for smaller entities.

**Source Agencies:** 304 Comptroller of Public Accounts, 356 Texas Ethics Commission

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