

## **BILL ANALYSIS**

H.B. 1295  
By: Capriglione  
General Investigating & Ethics  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Observers note that, in light of recent contracting concerns within governmental entities that have come up in relation to both elected officials and government staff, it has been suggested that more transparency is necessary with regard to the interested parties of a contract with a governmental entity or state agency. H.B. 1295 seeks to remedy this issue by requiring certain contracts with governmental entities and state agencies to include certain disclosure.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Ethics Commission in SECTION 1 of this bill.

### **ANALYSIS**

H.B. 1295 amends the Government Code to prohibit a governmental entity or state agency from entering into a contract that requires an action or vote by the governing body of the entity or agency before the contract may be signed or that has a value of at least \$1 million with a person unless the person, in accordance with the bill and rules adopted under the bill, submits a disclosure of interested parties to the entity or agency at the time the person submits the signed contract to the entity or agency. The bill requires the disclosure of interested parties to be submitted on a form prescribed by the Texas Ethics Commission that includes a list of each interested party for the contract of which the contracting person is aware and that includes the signature of the contracting person, or of the authorized agent of the contracting person who is signing for the contracting person, acknowledging that the disclosure is made under oath under penalty of perjury. The bill requires the governmental entity or state agency to submit a copy of the disclosure of interested parties to the commission not later than the 30th day after the date the governmental entity or state agency receives the disclosure.

H.B. 1295 defines "governmental entity" as a municipality, county, public school district, or special-purpose district or authority and "state agency" as a board, commission, office, department, or other agency in the executive, judicial, or legislative branch of state government, including an institution of higher education. The bill defines "interested party" as each person who benefits financially from a contract, including a person who has a legal or equitable interest in the contract or a contracting person or a person who serves as a broker, intermediary, director, adviser, or attorney for, or otherwise actively participates in, a contract.

H.B. 1295 requires the Texas Ethics Commission, not later than December 1, 2015, to adopt rules necessary to implement the bill's provisions, prescribe the disclosure of interested parties

form, and post a copy of the form on the commission's website. The bill applies only to a contract entered into on or after January 1, 2016.

**EFFECTIVE DATE**

September 1, 2015.