

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 11, 2015

TO: Honorable Joan Huffman, Chair, Senate Committee on State Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB23 by Davis, Sarah (Relating to disclosure of certain relationships with local government officers and vendors; creating criminal offenses.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend the Government Code to require a local government officer to file a conflicts disclosure statement with respect to a vendor if certain conditions are met. Under the provisions of the bill, a vendor would be required to file a completed conflict of interest questionnaire if certain conditions are met. The bill would require Texas Ethics Commission to adopt the conflicts disclosure statement and conflict of interest questionnaire for local government officers. The bill would require a records administrator to maintain a list of certain local government officers and make the list available to the public. The bill would create an offense of certain officials or vendors knowingly fail to file statements or questionnaires as prescribed in the provisions of the bill. The offense would be punishable by a Class C misdemeanor if the contract amount is less than \$1 million, Class B misdemeanor if the contract amount is at least \$1 million but less than \$5 million, or Class A misdemeanor if the contract amount is at least \$5 million. The bill would permit a local governmental entity to terminate employment for an employee who knowingly fails to comply with requirements. The bill would permit a governing body of a municipality to declare a contract void if a violation has occurred. The bill provides exceptions.

The bill would repeal Section 176.003(c), Section 176.003(d), Section 176.005, Section 176.006(f), Section 176.006(g), Section 176.006(h), and Section 176.007, Local Government Code.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

The City of Hurst, Pecan Valley Ground Water Conservation District, and Bexar County reported no significant fiscal impact is anticipated.

A Class A misdemeanor is punishable by a fine of not more than \$4,000, confinement in jail for a term not to exceed one year, or both. A Class B misdemeanor is punishable by a fine of not more than \$2,000, confinement in jail for a term not to exceed 180 days, or both. A Class C misdemeanor is punishable by a fine of not more than \$500. Costs associated with enforcement, prosecution and confinement could likely be absorbed within existing resources. Revenue gain

from fines imposed and collected is not anticipated to have a significant fiscal implication.

Source Agencies: 701 Central Education Agency, 356 Texas Ethics Commission

LBB Staff: UP, AG, SD, EK, FR, JBi