

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 27, 2015

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB3736** by Davis, Sarah (Relating to conflicts of interest by members of state agency governing boards and governing officers; creating a criminal offense.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill would amend the Government Code to require individuals serving as a member of a state agency governing board or a state agency officer that governs an agency without a multimember governing board and that are in a position to receive a pecuniary gain from a governing board or agency decision to disclose the conflict of interest in writing to the state agency if the gain accrued to the individual as a member of a class of persons, occupations, profession, or industry is to a greater extent than any other member of the class. The bill requires that these individuals may not participate in the decision on the matter. In situations where a majority of the members of a governing board have a conflict of interest related to the matter before the board, the bill would require each member to make the required written disclosure. The bill would permit the board to make decisions despite the conflict of interest when a finding is made that an emergency exists that requires a decision on the matter. The bill would increase disclosure requirements for filers of personal financial statements and would allow filers to amend personal financial statements without penalty if the original report was made in good faith.

The bill would create an offense if an individual knowingly fails to comply with this requirement. In addition, the bill would require state agencies receiving a written disclosure of a conflict of interest to file a copy of the disclosure with the Texas Ethics Commission. Based on the analysis of the Office of Court Administration and the Texas Ethics Commission, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Local Government Impact

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

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 356 Texas Ethics Commission

LBB Staff: UP, EMO, AG, GDz, FR