

BILL ANALYSIS

H.B. 17
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General Investigating & Ethics
Committee Report (Unamended)

BACKGROUND AND PURPOSE

According to interested parties, certain elements of the law relating to disclosure by vendors of gifts to certain local government officers can be confusing. H.B. 17 seeks to provide clarity to a person or entity attempting to comply with that law.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill expressly does one or more of the following: creates a criminal offense, increases the punishment for an existing criminal offense or category of offenses, or changes 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. 17 amends the Local Government Code to remove and repeal provisions relating to the filing of a conflicts disclosure statement and a conflict of interest questionnaire in relation to a gift given by a vendor to a local government officer, including the definition of gift as a benefit offered by a person, including food, lodging, transportation, and entertainment accepted as a guest. The bill instead sets out provisions relating to the disclosure of gifts to certain local government officers. The bill defines "gift" in those provisions as a benefit, including entertainment, offered by a vendor and accepted by a local government officer, but not food or beverages accepted by a local government officer as the guest of a vendor, a political contribution, or a benefit offered based on kinship or a personal, professional, or business relationship independent of the official status of the local government officer accepting the benefit.

H.B. 17 requires a vendor to submit a completed disclosure form created by the Texas Ethics Commission to a local governmental entity not later than the 15th day of the first month of each calendar quarter if the vendor has a contract or is seeking to enter into a contract with the local governmental entity and if the vendor has given one or more gifts during the preceding calendar quarter with an aggregate value of more than \$100 to a local government officer of the local governmental entity or a family member of such an officer. The bill defines "local government officer" as a member of the governing body of a local governmental entity or a director, superintendent, administrator, president, or other executive officer of a local governmental entity who exercises discretion in the planning, recommending, selecting, or contracting of a vendor. The bill sets out the required contents for the disclosure form. The bill establishes for purposes of the vendor disclosure form that the value or dollar amount of a gift for which a receipt is issued, other than an admission ticket to an event, is the price paid by the vendor for the gift and that the value or dollar amount of a gift that is an admission ticket to an event is the price printed on the

admission ticket or is the initial price paid to the first seller of the admission ticket if the price is not printed on the ticket. The bill exempts from the required disclosure a gift given by a vendor directly as part of the vendor's sponsorship of or contribution to an event that benefits a political committee or an organization that is exempted from federal income tax under certain provisions of the federal Internal Revenue Code of 1986. The bill requires the commission by rule to prescribe the disclosure form not later than March 1, 2018.

H.B. 17 creates a Class C misdemeanor offense for a vendor who is required to submit a completed disclosure form and who knowingly fails to submit the completed form to the appropriate local governmental entity before the 15th day of the first month of the calendar quarter following the calendar quarter in which the form was required to be submitted under the bill's provisions.

H.B. 17 authorizes the commission to prepare a written advisory opinion answering the request of a person subject to the bill's required disclosure of gifts to certain local government officials for an advisory opinion about the application of that disclosure to the person regarding a specified existing or hypothetical factual situation and sets out related procedures.

H.B. 17 requires the commission to adopt rules necessary to implement the bill's provisions concerning the disclosure of gifts to certain local government officers not later than March 1, 2018, and limits the applicability of those provisions to an event requiring disclosure that occurs on or after that same date.

H.B. 17 removes a local governmental entity's consideration of entering into a contract with a vendor from the conditions that can trigger the requirement that the local government officer file a conflicts disclosure statement with respect to a vendor.

H.B. 17 repeals provisions exempting a local government officer from the requirement to file a conflicts disclosure statement if the local governmental entity or vendor is an administrative agency created in the context of an interlocal cooperation contract and provisions authorizing the governing body of a local governmental entity to, at its discretion, declare a contract void if the governing body determines that a vendor failed to file a required conflict of interest questionnaire.

H.B. 17 repeals the following provisions of the Local Government Code:

- Section 176.001(2-b)
- Sections 176.003(a-1) and (a-2)
- Section 176.013(e)

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, December 1, 2017.