By:  Kitzman H.B. No. 5237

A BILL TO BE ENTITLED

AN ACT

relating to the disclosure of certain contributions, expenditures, and gifts between local government officers and vendors.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1.  Subtitle C, Title 5, Local Government Code, is amended by adding Chapter 176A to read as follows:

CHAPTER 176A. DISCLOSURE OF CONTRIBUTIONS, EXPENDITURES, AND GIFTS BETWEEN LOCAL GOVERNMENT OFFICERS AND VENDORS

Sec. 176A.001.  DEFINITIONS. In this chapter:

(1)  "Agent," "commission," "contract," "family member," "gift," "local governmental entity," "local government officer," and "records administrator" have the meanings assigned by Section 176.001.

(2)  "Contribution," "expenditure," and "political committee" have the meanings assigned by Section 251.001, Election Code.

(3)  "Vendor" means a person who enters or seeks to enter into a contract with a local governmental entity. The term includes:

(A)  an agent of a vendor; and

(B)  an officer or employee of a governmental entity if that individual is acting in a private capacity to enter into the contract.

Sec. 176A.002.  APPLICABILITY. This chapter applies only to:

(1)  a local governmental entity with a population of eight hundred thousand or more;

(2)  a local governmental entity located in a county with a population of eight hundred thousand or more; and

(3)  a local government officer of a local governmental entity described by Subdivision (1) or (2).

Sec. 176A.003.  CONFLICTS DISCLOSURE STATEMENT REQUIRED FOR LOCAL GOVERNMENT OFFICERS. (a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

(1)  the local governmental entity begins negotiations to enter into a contract with the vendor; and

(2)  at any time during the period beginning 24 months before the date on which the negotiations begin and ending on the date the negotiations are completed, the officer, a family member of the officer, or an employee of the local governmental entity accepted contributions or gifts that have an aggregate value of $100 or more from the vendor, a political committee controlled by the vendor, or a person the vendor or political committee solicited to make the contribution or gift.

(b)  A local government officer shall file the conflicts disclosure statement required under Subsection (a) with the records administrator of the local governmental entity not later than the 30th day after the later of the date:

(1)  the negotiations described by Subsection (a) began; or

(2)  a contribution or gift is made that triggers the disclosure requirements under Subsection (a).

(c)  The commission shall adopt the conflicts disclosure statement form for a local government officer's use under this section. The conflicts disclosure statement must include:

(1)  a description of each contribution or gift described by Subsection (a)(2);

(2)  an acknowledgment from the officer that:

(A)  the disclosure applies to the officer, each family member of the officer, and each employee of the local governmental entity; and

(B)  the statement covers the period described by Subsection (a)(2); and

(3)  the officer's signature acknowledging that the statement is made under oath under penalty of perjury.

Sec. 176A.004.  CONFLICTS DISCLOSURE STATEMENT REQUIRED FOR VENDORS. (a) A vendor that begins negotiations with a local governmental entity to enter into a contract shall file a conflicts disclosure statement if:

(1)  the vendor, a political committee controlled by the vendor, or a person the vendor or political committee solicits to make contributions or gifts for the vendor makes a contribution or gift described by Section 176A.003(a)(2); or

(2)  at any time during the period beginning 24 months before the date on which the negotiations for the contract begin and ending on the date the negotiations are completed, a local government officer, a family member of the officer, or an employee of the local governmental entity made expenditures or gifts that have an aggregate value of $50 or more to the vendor or a political committee controlled by the vendor.

(b)  The vendor shall file the conflicts disclosure statement with the records administrator of the local governmental entity not later than the 30th day after the later of the date:

(1)  the negotiations described by Subsection (a) began; or

(2)  a contribution, expenditure, or gift is made that triggers the disclosure requirements under Subsection (a).

(c)  The commission shall adopt a conflicts disclosure statement for a vendor's use under this section. The conflicts disclosure statement must include:

(1)  a description of each contribution, expenditure, or gift described by Subsection (a); and

(2)  the vendor's signature acknowledging that the statement is made under oath under penalty of perjury.

Sec. 176A.005.  MAINTENANCE OF RECORDS. Each records administrator shall:

(1)  maintain a list of local government officers of the local governmental entity and shall make that list available to the public and any vendor who may be required to file a conflicts disclosure statement under Section 176A.004; and

(2)  maintain the statements that are required to be filed under this chapter in accordance with the local governmental entity's records retention schedule.

Sec. 176A.006.  ELECTRONIC FILING. The requirements of this chapter, including signature requirements, may be satisfied by electronic filing in a form approved by the commission.

Sec. 176A.007.  POSTING ON INTERNET. A local governmental entity that maintains an Internet website shall provide access to the conflicts disclosure statements required to be filed under this chapter on the website. This subsection does not require a local governmental entity to maintain an Internet website.

Sec. 176A.008.  REQUIREMENTS CUMULATIVE. The requirements of this chapter are in addition to any other disclosure required by law.

Sec. 176A.009.  APPLICATION OF PUBLIC INFORMATION LAW. This chapter does not require a local governmental entity to disclose any information that is excepted from disclosure by Chapter 552, Government Code.

Sec. 176A.010.  NONDISCLOSURE; CONTRACT PROHIBITION. If a local government officer or a vendor fails to file a required conflicts disclosure statement under this chapter, the local governmental entity and vendor may not enter into a contract before the fifth anniversary of the date the statement was required to be filed.

SECTION 2.  Not later than December 1, 2023, the Texas Ethics Commission shall adopt the conflicts disclosure statement forms required by Chapter 176A, Local Government Code, as added by this Act.

SECTION 3.  Notwithstanding Chapter 176A, Local Government Code, as added by this Act, a local government officer and a vendor are not required to file a conflicts disclosure statement under that chapter before January 1, 2024.

SECTION 4.  Chapter 176A, Local Government Code, as added by this Act, does not apply to a contract entered into before January 1, 2024.

SECTION 5.  This Act takes effect September 1, 2023.