

By: Dutton

H.B. No. 3863

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of conflicts of interest of officials of municipalities, counties, and certain other local governments.

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

SECTION 1. Chapter 171, Local Government Code, is amended by adding Section 171.011 to read as follows:

Sec. 171.011. TRANSACTIONS INVOLVING REAL ESTATE. (a) A local public official or a business entity in which a local public official has a substantial interest may not enter into a real estate transaction with the local governmental entity of which the person is an official if the official would financially benefit from the transaction.

(b) A charitable contribution deduction from the Internal Revenue Service is not considered a financial benefit.

SECTION 2. (a) A local public official or business entity that has entered into a transaction prohibited by Section 171.011, Local Government Code, as added by this Act, before the effective date of this Act, shall remove the official or entity, as applicable, from the real estate transaction not later than September 1, 2026.

(b) In the case of exceptional circumstances, a local public official or business entity may submit a request to the Texas Facilities Commission to approve the continuance after September 1, 2026, of a real estate transaction subject to Subsection (a) of this

1 section.

2 (c) If a local public official or business entity would
3 receive a financial gain from the removal from a real estate
4 transaction as described by Subsection (a) of this section, the
5 Texas Facilities Commission shall review the terms of the real
6 estate transaction and the removal of the local public official or
7 business entity to ensure that the local governmental entity will
8 receive the fair market value of the property.

9 SECTION 3. This Act takes effect September 1, 2023.