

- SUBJECT:** Requiring disclosure of parties in contracts with governmental entities
- COMMITTEE:** General Investigating and Ethics — favorable, without amendment
- VOTE:** 5 ayes — Kuempel, S. Davis, Larson, Moody, C. Turner
- 0 nays
- 2 absent — Collier, Hunter
- WITNESSES:** For — Tom “Smitty” Smith, Public Citizen, Inc.; (*Registered, but did not testify*: Dustin Matocha, Texans for Fiscal Responsibility; Michael Schneider, Texas Association of Broadcasters; Donnis Baggett and Alicia Calzada, Texas Press Association; Mark Terry)
- Against — None
- On — (*Registered, but did not testify*: Ron Pigott, HHSC)
- BACKGROUND:** Government Code, ch. 2252 governs contracts with governmental entities.
- DIGEST:** HB 1295 would require the disclosure of interested parties in certain contracts with governmental entities.
- The bill would define “interested party” as a person who benefitted financially from a contract, including a person who had a legal or equitable interest in the contract or a contracting person or a person who served as a broker, intermediary, director, adviser, or attorney for, or otherwise actively participated in, a contract.
- HB 1295 would apply only to a contract for a governmental entity or state agency that:
- required an action or vote by the governing body of the entity or agency before the contract could be signed; or
 - had a value of at least \$1 million.

A governmental entity or state agency could not enter into a contract as described above with a person unless the person submitted a disclosure of interested parties to the governmental entity or state agency at the time the person submitted the signed contract to the entity or agency.

The disclosure of the interested parties would have to be submitted on a form prescribed by the Texas Ethics Commission that included:

- a list of each interested party; and
- the signature of the contracting person, or an authorized agent, acknowledging that the disclosure was made under oath under penalty of perjury.

By the 30th day after receiving a disclosure of interested parties, the governmental entity or state agency would be required to submit a copy of the disclosure to the Texas Ethics Commission. The commission would adopt rules necessary to implement this section, prescribe the disclosure of interested parties form, and post a copy of the form on the commission's website by December 1, 2015.

This bill would take effect September 1, 2015.