



# Legislative UPDATE

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Number 41

## **Texas Ethics Commission:** **New Contracts Disclosure Rule Available for Comment**

The Texas Ethics Commission is accepting comments on a proposed new rule that would modify its implementation of House Bill 1295.

House Bill 1295, which added Section 2252.908 to the Government Code, was adopted during the 2015 legislative session. This law prohibits a city from entering into certain contracts with a business entity, unless the business entity submits a disclosure of interested parties (a [Form 1295](#)). The law applies only to a city contract that either: (1) requires an action or vote by the city council before the contract may be signed; or (2) has a value of at least \$1 million.

At its [October 14, 2016](#), meeting, the Commission proposed a beneficial new rule to clarify when a change to a contract (including a change order) is considered a “contract” that triggers Form 1295 to be filed. The proposed new rule provides that a Form 1295 is required only for a change made to an existing contract in these circumstances:

1. If a Form 1295 was not filed for the existing contract, then a filing is required if the changed contract either requires an action or vote by the governing body of the governmental entity or state agency or the value of the changed contract is at least \$1 million.
2. If a Form 1295 was filed for the existing contract, then a filing is required for the changed contract if there is a change to the information in the Form 1295, the contract requires an action or vote by the governing body of the governmental entity or state agency, or the value of the changed contract increases by at least \$1 million.

The text of the proposed rule is available [here](#). Cities should file written comments by email to [publiccomment@ethics.state.tx.us](mailto:publiccomment@ethics.state.tx.us). To ensure they are given full consideration, TML recommends filing comments by November 28, 2016. The next regularly-scheduled Commission meeting is December 8, 2016, in Austin.

Contact Christy Drake-Adams, TML assistant general counsel, with questions at 512-231-7400 or [christy@tml.org](mailto:christy@tml.org).

## **It's that Time of Year Again: Mandatory Eminent Domain Reporting**

[Senate Bill 1812](#), passed during the 2015 legislative session, requires cities to annually fill out a [web-based form](#) with the comptroller relating to each city's statutory eminent domain authority. (The failure to fill out the form could result in a \$1,000 penalty against a city.)

The first annual entry was due last February. The next reporting period is open now and the second annual entry is due by February 1, 2017. The second entry is, for most cities, just an update of previously-filed information, including whether the city exercised its eminent domain authority in the preceding calendar year by filing a condemnation petition under Section 21.012, Property Code.

Of course, any city that never filled out the form as required should do so now. Detailed instructions on doing so are available in this [previous article](#).

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