

HOUSE BILL 914: Overview

HB-914: Requires the explicit disclosure of certain relationships between local governmental taxing entities such as: school districts, community hospitals & colleges, municipal utility districts, etc. and their vendors which may possibly be construed as a conflict of interest in an effort to institute a full disclosure policy to encourage ethical purchasing practices amongst these entities.

Affected parties: Taxing entity officials and Vendor agents or employees acting in official capacity to solicit to contract with municipal taxing entities.

Filing requirement is triggered by :

1) The consideration of a potential contract by a taxing entity official who may potentially and directly receive taxable income or "non-guest" gifts in excess of \$250 in fair market value within a 12 month period beginning on the date of consideration or contract effective date.

(A) The taxing entity official must then file CIS Disclosure Statement which must:

- Disclose the nature and extent of the relationship
- Disclose gifts of greater than \$250 FMV within the 12 month period.
- Constructively acknowledge that the filer is aware that these rules apply not only to self but also to relatives by blood or marriage.
- Filer must sign the statement under Oath which may be subject to perjury.

2) Vendors must file a Conflict of Interest Questionnaire with appointed Records Administrator within 7 days of verbal or written contract discussions.

(A) The COI Questionnaire must describe the extent and nature of the relationship, amount of any taxable income received by the Vendor from a party *other than* the taxing entity under the direction of a local taxing entity official. The filer must also disclose all applicable relationships:

- Taxing Entity Officials sitting on Board or owning interest in the Vendor entity.
- The involvement of Third Party Contractors or employees potentially influencing expenditures made by the solicited taxing entity.
- Taxing Entity officials who are employed by the Vendor
- All "other" relevant relationship disclosures

Filing Schedule:

- Annually due on September 1 *and* appropriately amended disclosure within 7 days of any relevant changes in the relationship.
- If an amendment filing was submitted *after* June of the current year, another filing is not required until September 1 of the year following the next regularly scheduled date.

Maximum deadline to file without a Class C Misdemeanor The filing must be submitted to the Records Administrator by 5pm on the 7th day following the receipt of a notice of violation.

Record Administrator duties It is the duty of the Records Administrator for local taxing entity to maintain a list of its local government officials and make it available to any person (Vendor or Taxing entity official) who may be required to file.

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NOTE: This memo is for informational purposes only. Please consult your legal advisor for reliable compliance counseling and filing requirements.