



COASTAL WATER AUTHORITY

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Amended Code of Ethics, Travel Expense Policy, and Professional Services Policy of the Coastal Water Authority

RESOLUTION ADOPTING AN AMENDED CODE OF ETHICS, TRAVEL EXPENSE
POLICY, AND PROFESSIONAL SERVICES POLICY OF
THE COASTAL WATER AUTHORITY

WHEREAS, the Board of Directors of the Coastal Water Authority ("CWA") has convened on this date at a meeting open to the public and wishes to adopt the Amended Code of Ethics, Travel Expense Policy, and Professional Services Policy attached hereto, pursuant to Section 49.199, Texas Water Code, as amended; Now, Therefore,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COASTAL WATER AUTHORITY THAT:

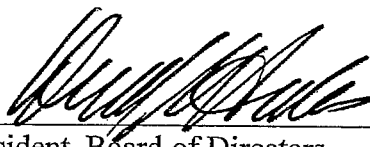
Section 1: The Board of Directors of CWA hereby adopts the Amended Code of Ethics, Travel Expense Policy, and Professional Services Policy, attached hereto.

Section 2: The provisions of this Resolution shall be effective as of the date of adoption and shall remain in effect until modified by action of the Board of Directors.

Section 3: The terms defined in the recitals to this Resolution are hereby adopted and incorporated in this Resolution.

Section 4: It is hereby officially found and determined that the meeting at which this Resolution was adopted was open to the public and that public notice of the time, place and purpose of said meeting was given, all as required by the Texas Open Meetings Act.

PASSED AND APPROVED this 11th day of April, 2006.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

(SEAL)

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

I, the undersigned officer of the Board of Directors of the Coastal Water Authority, hereby certify as follows:

1. The Board of the Coastal Water Authority convened in regular session on the 11th day of April, 2006, at the regular meeting place thereof, outside the boundaries of CWA, and the roll was called of the duly constituted officers and members of the Board to-wit:

Dionel E. Aviles	President
Kurt F. Metyko	First Vice-President
Buster E. French	Second Vice-President
Dorothy M.L. Washington	Secretary-Treasurer
Darryl L. King	Director
Gary R. Nelson	Director
Rick Cloutier	Director


and all of said persons were present, except Director(s) _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at the meeting: a written

RESOLUTION ADOPTING AN AMENDED CODE OF ETHICS, TRAVEL EXPENSE POLICY, AND PROFESSIONAL SERVICES POLICY OF THE COASTAL WATER AUTHORITY

was introduced for the consideration of the Board. It was then duly moved and seconded that the resolution be adopted, and, after due discussion, the motion, carrying with it the adoption of the resolution, prevailed and carried unanimously.

2. That a true, full and correct copy of the aforesaid Resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that the Resolution has been duly recorded in the Board's minutes of the meeting; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the Board as indicated therein; that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid meeting, and that the Resolution would be introduced and considered for adoption at the meeting, and each of the officers and members consented, in advance, to the holding of the meeting for such purpose; that the meeting was open to the public as required by law; and that public notice of the time, place and subject of the meeting was given as required by Chapter 551, Texas Government Code, and Section 49.063, Texas Water Code.

SIGNED AND SEALED the 11th day of April, 2006.


Secretary, Board of Directors

(SEAL)

**COASTAL WATER AUTHORITY CODE OF ETHICS,
TRAVEL EXPENSE POLICY, AND
PROFESSIONAL SERVICES POLICY**

This Code of Ethics, Travel Expense Policy, and Professional Services Policy (the "Policy") is adopted by the Board of Directors of the Coastal Water Authority pursuant to Section 49.199 of the Texas Water Code.

ARTICLE I

DEFINITIONS

Unless the context requires otherwise, the following terms and phrases used in the Policy shall have the meanings as follows.

- A. The term "Board" means the Board of Directors of CWA.
- B. The term "CWA" means the Coastal Water Authority.
- C. The term "CWA Officials" means CWA Directors and Officers.
- D. The term "Director" means a person appointed to serve on the Board of Directors of CWA.
- E. The term "Employee" means any person employed by CWA, but does not include independent contractors or professionals hired by CWA.
- F. The term "Officer" means the Executive Director or the Chief Financial Officer.

ARTICLE II

CODE OF ETHICS

Section 2.01. Policy.

It is the policy of CWA that CWA Officials conduct themselves in a manner consistent with sound business and ethical practices; that the public interest always be considered in conducting CWA business; that the appearance of impropriety be avoided to ensure and maintain public confidence in CWA; and that the Board of Directors establish policies to control and manage the affairs of CWA fairly, impartially, and without discrimination.

Section 2.02. Purpose.

This Code of Ethics has been adopted by CWA for the following purposes: (1) to comply with Section 49.199 of the Texas Water Code; (2) to encourage high ethical standards in official conduct by CWA Officials; and (3) to establish guidelines for such ethical standards of conduct.

Section 2.03. Conflicts of Interest.

A. *Chapter 171, Texas Local Government Code*

1. Pursuant to Chapter 171 of the Local Government Code, a copy of which is attached as Exhibit "A," a Director or Officer is prohibited from participating in a vote, decision, or award of a contract or other matter involving a business entity or real property in which the Director or the Officer has a substantial interest, if it is foreseeable that the action will have a special economic effect on the business entity or real property that is distinguishable from the effect on the public in general. A person has a substantial interest in a business (1) if his or her ownership interest is ten percent or more of the voting stock or shares of the business entity or ownership of \$15,000 or more of the fair market value of the business entity, or (2) if the business entity provides more than ten percent of the person's gross income. A person has a substantial interest in real property if the interest is an equitable or legal ownership with a fair market value of \$2,500 or more. A substantial interest, as defined above, of a person related within the first degree by either affinity or consanguinity¹ to a Director or officer is considered a substantial interest of that Director or Officer.
2. If a Director or Officer or a person related to the Director or Officer in the first degree by either affinity or consanguinity has a substantial interest in a business entity or real property that would be pecuniarily affected by any official action taken by the Board, the Director or Officer, before a vote or decision on the matter, shall file an affidavit stating the nature and extent of the interest and shall abstain from further participation in the matter. The affidavit shall be filed with the Secretary of the Board. A copy of the form of affidavit is attached as Exhibit "B."
3. The Board shall take a separate vote on any budget item specifically dedicated to a contract with a business entity in which a director has a substantial interest. In the event of a separate vote, the Director may not participate in that separate vote.
4. If a Director is required to file and does file an affidavit as required in the preceding paragraph 2, such Director is not required to abstain from further participation in the matter if a majority of the Board is comprised of persons who are likewise required to file and do file affidavits of similar interest on the same official action.

¹ Relatives within the first degree of consanguinity or affinity include the individual's parents, children, spouse, parents-in-law, son-in-law, and daughter-in-law.

B. *Chapter 176, Texas Local Government Code*

1. As required by Chapter 176 of the Texas Local Government Code, a copy of which is attached as Exhibit "C," CWA Officials must, under certain circumstances, file with the Records Administrator a Local Government Officer Conflicts Disclosure Statement, a copy of which is attached to this Policy as Exhibit "D," disclosing certain relationships with individuals or entities that contract or seek to contract with CWA and their agents (collectively, "Contractors").
 - (i) A CWA Official must file the Local Government Officer Conflicts Disclosure Statement with respect to a Contractor if:
 - (a) The Contractor has contracted with CWA or CWA is considering doing business with the Contractor, and
 - (1) The Contractor has:
 - (A) an employment or other business relationship with the CWA Official or a Family Member of the CWA Official (as defined in Section 2.03(A) above) that results in the CWA Official or a Family Member of the CWA Official receiving taxable income, or
 - (B) given to the CWA Official or a Family Member of the Officer one or more gifts, other than gifts of food, lodging, transportation or entertainment accepted as a guest, that have an aggregate value of more than \$250 in the 12-month period preceding the date the CWA Official becomes aware that: (a) CWA signed a contract with the Contractor; or (b) CWA was considering doing business with the Contractor.
 - (ii) A CWA Official must file the Local Government Officer Conflicts Disclosure Statement with the Records Administrator not later than 5:00 p.m. on the seventh business day after the CWA Official becomes aware of the facts that require the filing of the statement.
 - (iii) The Records Administrator shall maintain a list of the CWA Officials and shall make the list available to Contractors.

Section 2.04. Acceptance of Gifts:

Pursuant to Chapter 36, Texas Penal Code, a copy of which is attached hereto as Exhibit "E," no CWA Official shall solicit, accept or agree to accept any benefit as consideration for any decision, opinion, recommendation, vote or other exercise of discretion in carrying out official acts for CWA. No CWA Official shall solicit, accept, or agree to accept any benefit from a person known to be interested in or likely to become interested in any contract, purchase, payment, claim or transaction involving the exercise of the official's discretion. As of the date of adoption of this Policy, Section 36.10, Texas Penal Code does not include the following within the term benefit:

- A. a fee prescribed by law to be received by a CWA Official or any other benefit to which the CWA Official is lawfully entitled or for which he gives legitimate consideration in a capacity other than as a CWA Official;
- B. a gift or other benefit conferred on account of kinship or a personal, professional, or business relationship independent of the official status of the CWA Official;
- C. an item with a value of less than \$50, excluding cash or negotiable instruments; and
- D. a benefit consisting of food, lodging, transportation, or entertainment accepted as a guest and reported as may be required by law. In order to be considered accepted as a guest, the donor must be present.

Section 2.05. Bribery.

A CWA Official shall not intentionally or knowingly offer, confer, or agree to confer on another, or solicit, accept, or agree to accept from another, any benefit as consideration, when to do so is prohibited by law. As of the date of adoption of this Policy, Section 36.02, Texas Penal Code, a copy of which is attached as Exhibit "E," lists the offenses that are considered bribery when committed by CWA Officials.

Section 2.06. Nepotism.

CWA Officials shall comply with all anti-nepotism laws applicable to CWA. As of the date of adoption of this Policy, Chapter 573, Texas Government Code, a copy of which is attached as Exhibit "F," if the anti-nepotism law is applicable to CWA. No CWA Official shall appoint, or vote for, or confirm the appointment or confirmation of the appointment of an individual to any position that is to be directly or indirectly compensated from public funds or fees of office if the individual is related within the second degree by affinity (marriage relationship) or within the third degree of consanguinity (blood relationship) to the CWA Official so appointing, voting or confirming, or to any other CWA Official.

Section 2.07. Acceptance of Honoraria.

A CWA Official shall not solicit, accept or agree to accept an honorarium as prohibited by law. As of the date of adoption of this Policy, Section 36.07, Texas Penal Code, a copy of

which is attached as Exhibit "E," provides the circumstances in which a CWA Official is prohibited from accepting an honorarium.

Section 2.08: Lobbying.

Should the Texas Ethics Commission by rule require any CWA Officials directly communicating with legislative or executive branch officials to register as lobbyists, CWA Officials shall comply with such rule. See Government Code, Section 305.0051 a copy of which is attached as Appendix "G."

CWA shall not reimburse from CWA funds the expenses of any person in excess of \$50.00 for direct communications with a member of the legislative or executive branch unless the person being compensated resides in the district of the member with whom the person communicates or files a written statement which includes the person's name, the amount of compensation or reimbursement, and the name of the affected political subdivision with the Secretary of State. This provision does not apply to registered lobbyists, a full-time employee of CWA or an appointed CWA Official. See Government Code, Section 305.026.

Section 2.09. Certain Actions by Former CWA Officials Prohibited.

- A. For purposes of this section "*departure date*" means the last day of employment with CWA or holding of office as a CWA Official. Where leave time is taken prior to termination, the departure date is the last day of the leave period.
- B. *Lobbying Limitation.* No former CWA Official shall, during the one year period following his departure date, communicate directly with a current CWA Official for the purpose of influencing a decision by the Board on a matter in which the former CWA Official has a financial interest. It is an exception to the application of this subsection that the former CWA Official is primarily acting for his own benefit or making an uncompensated direct communication relating to matters of purely civic or public concern.
- C. *Restrictions on Employment by Certain Vendors.* Except as provided in subsection E, if, within one year after a vendor is approved by the Board for a contract with CWA, the vendor hires a CWA Official who had substantial and personal involvement with either the selection of said vendor or the negotiation of said contract, then said contract shall be subject to cancellation and/or the vendor shall be barred from additional contracting with CWA for a period of three years. For purposes of this subsection C, the term *had substantial and personal involvement* means that a person, either as a person assigned to handle or participate in the handling of the matter or as a supervisor making decisions with respect to the matter, exercised discretion or decision-making in the handling of a matter that then was associated with a specific party or parties.
- D. *Restrictions on Vendor Services by former CWA Officials.* If, within the one-year period following his departure date, a CWA Official is hired by a vendor under contract with CWA, and such vendor assigns such former CWA Official to perform work on the contract with CWA, then such contract shall be subject to

cancellation and/or the vendor shall be barred from additional contracting with CWA for a period of three years.

- E. *Exceptions.* Subsections C and D shall not apply to (i) any CWA Director if their employer merges, combines, acquires or is acquired by a vendor, (ii) a former CWA Director following the expiration of such Director's final term (regardless of whether the Director resigns prior to the scheduled expiration of such term) and (iii) a retired Officer who has retired from CWA after service sufficient to qualify for retirement benefits, provided that such retired Officer strictly complies with subsection B.

Section 2.10. State Law.

CWA Officials will otherwise comply with all applicable State laws regarding conflicts of interest, acceptance of gifts, bribery and nepotism.

Section 2.11. Written Notification of Code of Ethics, Travel Expense Policy, Investment and Professional Services Policy.

As soon as practicable after employment or appointment, the CWA Official shall be provided a written notification of this Code of Ethics, Travel Expense Policy and Professional Services Policy. The CWA Official shall sign and date the written notification and shall include a statement that he or she has read the Policy and agrees to comply with its provisions. The Officer or Director shall be provided one copy of the signed statement. Another copy shall be kept on file in the offices of CWA.

ARTICLE III

TRAVEL, REIMBURSEMENT, AND MISCELLANEOUS EXPENSE POLICY

Section 3.01. Board Approval Required.

Reimbursement for expenditures incurred by a CWA Official or employee on behalf of CWA shall be subject to guidelines established by the Board and the Internal Revenue Service.

Section 3.02. Reimbursement Statements.

Any CWA Official desiring reimbursement for travel expenditures or other business related expenditures shall present a verified statement thereof, together with all supporting receipts and invoices.

Any CWA employee desiring reimbursement for travel expenditures or other business related expenditures shall present a signed statement thereof, together with all supporting receipts and invoices.

Section 3.03. Travel Reimbursement.

Subject to the requirements of Section 3.01 and 3.02 hereof, mileage incurred in connection with travel shall be reimbursed at the rate approved by the Internal Revenue Service. Air travel costs shall be reimbursed at the lowest available airfare.

Section 3.04. Expense Reimbursement.

Lodging and meal expenses incurred by the CWA Officials may be reimbursed by CWA only to the extent that they are determined to be reasonable and necessary under guidelines issued by the Texas Ethics Commission. See Chapter 611, Texas Government Code, a copy of which is attached as Exhibit "H." Until these guidelines are published, such expenses may be reimbursed by the District to the extent they comply with the Travel Allowance Guide published by the Comptroller of Public Accounts for the State of Texas. A copy of the guide is available at <https://fmx.cpa.state.tx.us/fm/pubs/travallow/index.php>. Any request for reimbursement shall state the business purpose, the date, time and place, and, if travel is included, the total mileage or other travel expense and, if applicable, persons in attendance.

Section 3.05. Petty Cash Fund.

The Petty Cash Fund shall be used for CWA purposes and monitored by CWA Officials and accounted for in accordance with CWA policy.

Section 3.06. Conference Attendance.

The Board may authorize Directors to attend meetings (other than Board meetings), conferences, seminars, and other educational gatherings (collectively "Conferences") relating to the purposes and functions of CWA. The Board hereby authorizes the Executive Director and the Chief Financial Officer to (1) attend and (2) authorize employees of CWA to attend all Conferences relating to the duties, obligations or functions of the Officer or employee, including without limitation continuing education, training and licensing events, which the Officers, individually or collectively, deem necessary or desirable.

Section 3.07. Reimbursement of Conference Expenses.

Registration, lodging, meal and travel expenses for all Conferences shall be reimbursed in pursuant to this Article III.

ARTICLE IV

MOTOR VEHICLE POLICY

CWA's Motor Vehicle Policy is set forth in Appendix "T" and shall be a part of this Policy and incorporated herein for all purposes.

ARTICLE V

PROFESSIONAL SERVICES

Section 5.01. Selection.

Professionals retained to provide professional services to CWA, including, but not limited to, legal, engineering, management, and accounting services, shall be selected based upon qualifications and vote of the Board. Factors to be considered in connection with the selection of professional consultants or the review of their performance shall include the following, with priority to be given as determined by the Board:

- A. The experience, ability, reputation, and fees of the consultant;
- B. The nature and length of the consultant's relationship with CWA;
- C. The timeliness and competence of attention to the needs of CWA and to requests from the Board;
- D. Results obtained by the consultant on behalf of CWA;
- E. The policy of CWA to stimulate the growth of Minority and Women Business Enterprises, as adopted by resolution of the Board on December 9, 1986, and ratified January 13, 1987, as it may be amended from time to time; and
- F. Such other factors as the Board may deem relevant in the circumstances of CWA.

Section 5.02. Review.


The performance of all professionals providing professional services to CWA shall be regularly monitored by the Officers.

ARTICLE VI

ENTIRE POLICY

This Policy sets forth the entire policy of CWA on the code of ethics, reimbursement for travel and expenses, and professional services. Any prior CWA policies regarding ethics, travel expense, investments and professional services are rescinded.

Adopted and effective this 11th day of April, 2006.

By: 
President, Board of Directors

ATTEST:


Secretary/Treasurer, Board of Directors

EXHIBIT LIST

- Exhibit A - Chapter 171, Local Government Code
- Exhibit B - Chapter 171 Form Affidavit
- Exhibit C - Chapter 176, Local Government Code
- Exhibit D - Form Local Government Officer
Conflicts Disclosure Statement
- Exhibit E - Chapter 36, Penal Code
- Exhibit F - Chapter 573, Government Code
- Exhibit G - Chapter 305, Government Code
- Exhibit H - Chapter 611, Government Code
- Exhibit I - CWA Motor Vehicle Policy

LOCAL GOVERNMENT CODE

SUBTITLE C. MATTERS AFFECTING PUBLIC OFFICERS AND EMPLOYEES OF MORE THAN ONE TYPE OF LOCAL GOVERNMENT

CHAPTER 171. REGULATION OF CONFLICTS OF INTEREST OF OFFICERS OF MUNICIPALITIES, COUNTIES, AND CERTAIN OTHER LOCAL GOVERNMENTS

Sec. 171.001. DEFINITIONS. In this chapter:

(1) "Local public official" means a member of the governing body or another officer, whether elected, appointed, paid, or unpaid, of any district (including a school district), county, municipality, precinct, central appraisal district, transit authority or district, or other local governmental entity who exercises responsibilities beyond those that are advisory in nature.

(2) "Business entity" means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, or any other entity recognized by law.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 171.002. SUBSTANTIAL INTEREST IN BUSINESS ENTITY. (a) For purposes of this chapter, a person has a substantial interest in a business entity if:

(1) the person owns 10 percent or more of the voting stock or shares of the business entity or owns either 10 percent or more or \$15,000 or more of the fair market value of the business entity; or

(2) funds received by the person from the business entity exceed 10 percent of the person's gross income for the previous year.

(b) A person has a substantial interest in real property if the interest is an equitable or legal ownership with a fair market value of \$2,500 or more.

(c) A local public official is considered to have a substantial interest under this section if a person related to the official in the first degree by consanguinity or affinity, as determined under Chapter 573, Government Code, has a substantial interest under this section.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987. Amended by Acts 1989, 71st Leg., ch. 1, Sec. 40(a), eff. Aug. 28, 1989; Acts 1991, 72nd Leg., ch. 561, Sec. 37, eff. Aug. 26, 1991; Acts 1995, 74th Leg., ch. 76, Sec. 5.95(27), eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 849, Sec. 1, eff. Sept. 1, 1997.

Sec. 171.0025. APPLICATION OF CHAPTER TO MEMBER OF HIGHER EDUCATION AUTHORITY. This chapter does not apply to a board member of a higher education authority created under Chapter 53, Education Code, unless a vote, act, or other participation by the board member in the affairs of the higher education authority would provide a financial benefit to a financial institution, school, college, or university that is:

(1) a source of income to the board member; or

(2) a business entity in which the board member has an interest distinguishable from a financial benefit available to any other similar financial institution or other school, college, or university whose students are eligible for a student loan available under Chapter 53, Education Code.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 41(a), eff. Aug. 28, 1989.

Sec. 171.003. PROHIBITED ACTS; PENALTY. (a) A local public official commits an offense if the official knowingly:

(1) violates Section 171.004;

(2) acts as surety for a business entity that has work, business, or a contract with the governmental entity; or

(3) acts as surety on any official bond required of an officer of the governmental entity.

(b) An offense under this section is a Class A misdemeanor. Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987. Amended by Acts 1989, 71st Leg., ch. 1, Sec. 40(a), eff. Aug. 28, 1989.

Sec. 171.004. AFFIDAVIT AND ABSTENTION FROM VOTING REQUIRED. (a) If a local public official has a substantial interest in a business entity or in real property, the official shall file, before a vote or decision on any matter involving the business entity or the real property, an affidavit stating the nature and extent of the interest and shall abstain from further participation in the matter if:

(1) in the case of a substantial interest in a business entity the action on the matter will have a special economic effect

on the business entity that is distinguishable from the effect on the public; or

(2) in the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.

(b) The affidavit must be filed with the official record keeper of the governmental entity.

(c) If a local public official is required to file and does file an affidavit under Subsection (a), the official is not required to abstain from further participation in the matter requiring the affidavit if a majority of the members of the governmental entity of which the official is a member is composed of persons who are likewise required to file and who do file affidavits of similar interests on the same official action.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987. Amended by Acts 1989, 71st Leg., ch. 1, Sec. 40(a), eff. Aug. 28, 1989.

Sec. 171.005. VOTING ON BUDGET. (a) The governing body of a governmental entity shall take a separate vote on any budget item specifically dedicated to a contract with a business entity in which a member of the governing body has a substantial interest.

(b) Except as provided by Section 171.004(c), the affected member may not participate in that separate vote. The member may vote on a final budget if:

(1) the member has complied with this chapter; and

(2) the matter in which the member is concerned has been resolved.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987. Renumbered from Sec. 171.006 and amended by Acts 1989, 71st Leg., ch. 1, Sec. 40(a), eff. Aug. 28, 1989.

Sec. 171.006. EFFECT OF VIOLATION OF CHAPTER. The finding by a court of a violation under this chapter does not render an action of the governing body voidable unless the measure that was the subject of an action involving a conflict of interest would not have passed the governing body without the vote of the person who violated the chapter.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987. Renumbered from Sec. 171.008 by Acts 1989, 71st Leg., ch. 1, Sec. 40(a), eff. Aug. 28, 1989.

Sec. 171.007. COMMON LAW PREEMPTED; CUMULATIVE OF MUNICIPAL PROVISIONS. (a) This chapter preempts the common law of conflict of interests as applied to local public officials.

(b) This chapter is cumulative of municipal charter provisions and municipal ordinances defining and prohibiting conflicts of interests.

Amended by Acts 1989, 71st Leg., ch. 1, Sec. 40(a), eff. Aug. 28, 1989.

Sec. 171.009. SERVICE ON BOARD OF CORPORATION FOR NO COMPENSATION. It shall be lawful for a local public official to serve as a member of the board of directors of private, nonprofit corporations when such officials receive no compensation or other remuneration from the nonprofit corporation or other nonprofit entity.

Added by Acts 1989, 71st Leg., ch. 475, Sec. 2, eff. Aug. 28, 1989.

Sec. 171.010. PRACTICE OF LAW. (a) For purposes of this chapter, a county judge or county commissioner engaged in the private practice of law has a substantial interest in a business entity if the official has entered a court appearance or signed court pleadings in a matter relating to that business entity.

(b) A county judge or county commissioner that has a substantial interest in a business entity as described by Subsection (a) must comply with this chapter.

(c) A judge of a constitutional county court may not enter a court appearance or sign court pleadings as an attorney in any matter before:

(1) the court over which the judge presides; or

(2) any court in this state over which the judge's court exercises appellate jurisdiction.

(d) Upon compliance with this chapter, a county judge or commissioner may practice law in the courts located in the county where the county judge or commissioner serves.

Added by Acts 2003, 78th Leg., ch. 227, Sec. 21, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1206, Sec. 3, eff. June 20, 2003.

SAMPLE AFFIDAVIT

THE STATE OF TEXAS:

COUNTY OF _____

I, _____, as a member of the Board of Directors of the Coastal Water Authority, make this affidavit and hereby under oath state the following:

I have a substantial interest in a business entity or real property that may receive a special economic effect by a vote or decision of the Board of Directors and the economic effect on my business entity or real property is distinguishable from its effect on the general public. What constitutes a "substantial interest," "business entity," "real property" and a "special economic effect" are terms defined in chapter 171 of the Texas Local Government Code.

I affirm that the business entity or real property referred to above is:

The nature of my substantial interest in this business entity or real property is:

- an ownership interest of 10 percent or more of the voting stock or shares of the business entity;
- an ownership interest of 10 percent or \$15,000 or more of the fair market value of the business entity;
- funds received from the business entity exceed 10 percent of (my, his, her) gross income for the previous year;
- real property is involved and (I, he, she) have/has an equitable or legal ownership with a fair market value of at least \$2500;
- a person who is related to me within the first degree of consanguinity (blood) or affinity (marriage) has a substantial interest in the involved real property or business entity. I have also checked which of the above types of interests my relative has in the item.

Upon the filing of this affidavit with the official record keeper for the Coastal Water Authority, I affirm that I shall abstain from any discussion, vote, or decision involving this business entity or real property and from any further participation in this matter whatsoever.

Signed this the ___ day of _____, 20__.

By: _____

Name: _____

Title: _____

BEFORE ME, the undersigned authority, this day personally appeared _____ and by oath swore that the facts herein above stated are true and correct to the best of his/her knowledge or belief.

Sworn to and subscribed before me on this the ___ day of _____, 200__.

Notary Public in and for the State of Texas

My commission expires: _____

LOCAL GOVERNMENT CODE
CHAPTER 176. DISCLOSURE OF CERTAIN RELATIONSHIPS WITH LOCAL
GOVERNMENT OFFICERS; PROVIDING PUBLIC ACCESS TO CERTAIN
INFORMATION

Sec. 176.001. DEFINITIONS. In this chapter:

(1) "Commission" means the Texas Ethics Commission.
(2) "Family member" means a person related to another person within the first degree by consanguinity or affinity, as described by Subchapter B, Chapter 573, Government Code.

(3) "Local governmental entity" means a county, municipality, school district, junior college district, or other political subdivision of this state or a local government corporation, board, commission, district, or authority to which a member is appointed by the commissioners court of a county, the mayor of a municipality, or the governing body of a municipality. The term does not include an association, corporation, or organization of governmental entities organized to provide to its members education, assistance, products, or services or to represent its members before the legislative, administrative, or judicial branches of the state or federal government.

(4) "Local government officer" means:

(A) a member of the governing body of a local governmental entity; or

(B) a director, superintendent, administrator, president, or other person designated as the executive officer of the local governmental entity.

(5) "Records administrator" means the director, county clerk, municipal secretary, superintendent, or other person responsible for maintaining the records of the local governmental entity.

Added by Acts 2005, 79th Leg., ch. 1014, Sec. 1, eff. June 18, 2005.

Sec. 176.002. APPLICABILITY TO CERTAIN VENDORS AND OTHER PERSONS. (a) This chapter applies to a person who:

(1) contracts or seeks to contract for the sale or purchase of property, goods, or services with a local governmental entity; or

(2) is an agent of a person described by Subdivision (1) in the person's business with a local governmental entity.

(b) A person is not subject to the disclosure requirements of this chapter if the person is:

(1) a state, a political subdivision of a state, the federal government, or a foreign government; or

(2) an employee of an entity described by Subdivision (1), acting in the employee's official capacity.

Added by Acts 2005, 79th Leg., ch. 1014, Sec. 1, eff. June 18, 2005.

Sec. 176.003. CONFLICTS DISCLOSURE STATEMENT REQUIRED. (a) A local government officer shall file a conflicts disclosure statement with respect to a person described by Section 176.002(a) if:

(1) the person has contracted with the local governmental entity or the local governmental entity is considering doing business with the person; and

(2) the person:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income; or

(B) has given to the local government officer or a family member of the officer one or more gifts, other than gifts of food, lodging, transportation, or entertainment accepted as a guest, that have an aggregate value of more than \$250 in the 12-month period preceding the date the officer becomes aware that:

(i) a contract described by Subdivision (1) has been executed; or
(ii) the local governmental entity is considering doing business with the person.

(b) A local government officer shall file the conflicts disclosure statement with the records administrator of the local governmental entity not later than 5 p.m. on the seventh business day after the date on which the officer becomes aware of the facts that require the filing of the statement under Subsection (a).

(c) A local government officer commits an offense if the officer knowingly violates this section. An offense under this subsection is a Class C misdemeanor.

(d) It is a defense to prosecution under Subsection (c) that

the person filed the required conflicts disclosure statement not later than the seventh business day after the date the person received notice of the violation.

Added by Acts 2005, 79th Leg., ch. 1014, Sec. 1, eff. June 18, 2005.

Sec. 176.004. CONTENTS OF DISCLOSURE STATEMENT. The commission shall adopt the conflicts disclosure statement for local government officers. The conflicts disclosure statement must include:

(1) a requirement that each local government officer disclose:

(A) an employment or other business relationship described by Section 176.003(a), including the nature and extent of the relationship; and

(B) gifts received by the local government officer and any family member of the officer from a person described by Section 176.002(a) during the 12-month period described by Section 176.003(a)(2)(B) if the aggregate value of the gifts from that person exceed \$250;

(2) an acknowledgment from the local government officer that:

(A) the disclosure applies to each family member of the officer; and

(B) the statement covers the 12-month period described by Section 176.003(a)(2)(B); and

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

Added by Acts 2005, 79th Leg., ch. 1014, Sec. 1, eff. June 18, 2005.

Sec. 176.005. APPLICATION TO CERTAIN EMPLOYEES. (a) The local governmental entity may extend the requirements of Sections 176.003 and 176.004 to all or a group of the employees of the local governmental entity.

(b) A local governmental entity may reprimand, suspend, or terminate the employment of an employee who fails to comply with a requirement adopted under this section.

(c) An employee of a local governmental entity commits an offense if the employee knowingly violates requirements imposed under this section. An offense under this subsection is a Class C misdemeanor.

(d) It is a defense to prosecution under Subsection (c) that the person filed the required conflicts disclosure statement not later than the seventh business day after the date the person received notice of the violation.

Added by Acts 2005, 79th Leg., ch. 1014, Sec. 1, eff. June 18, 2005.

Sec. 176.006. DISCLOSURE REQUIREMENTS FOR VENDORS AND OTHER PERSONS; QUESTIONNAIRE. (a) A person described by Section 176.002(a) shall file a completed conflict of interest questionnaire with the appropriate records administrator not later than the seventh business day after the date that the person:

(1) begins contract discussions or negotiations with the local governmental entity; or

(2) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential agreement with the local governmental entity.

(b) The commission shall adopt a conflict of interest questionnaire for use under this section that requires disclosure of a person's affiliations or business relationships that might cause a conflict of interest with a local governmental entity.

(c) The questionnaire adopted under Subsection (b) must require, for the local governmental entity with respect to which the questionnaire is filed, that the person filing the questionnaire:

(1) describe each affiliation or business relationship the person has with each local government officer of the local governmental entity;

(2) identify each affiliation or business relationship described by Subdivision (1) with respect to which the local government officer receives, or is likely to receive, taxable income from the person filing the questionnaire;

(3) identify each affiliation or business relationship described by Subdivision (1) with respect to which the person filing the questionnaire receives, or is likely to receive, taxable income that:

(A) is received from, or at the direction of, a

local government officer of the local governmental entity; and
(B) is not received from the local governmental entity;

(4) describe each affiliation or business relationship with a corporation or other business entity with respect to which a local government officer of the local governmental entity:

(A) serves as an officer or director; or

(B) holds an ownership interest of 10 percent or more;

(5) describe each affiliation or business relationship with an employee or contractor of the local governmental entity who makes recommendations to a local government officer of the local governmental entity with respect to the expenditure of money;

(6) describe each affiliation or business relationship with a person who:

(A) is a local government officer; and

(B) appoints or employs a local government officer of the local governmental entity that is the subject of the questionnaire; and

(7) describe any other affiliation or business relationship that might cause a conflict of interest.

(d) A person described by Subsection (a) shall file an updated completed questionnaire with the appropriate records administrator not later than:

(1) September 1 of each year in which an activity described by Subsection (a) is pending; and

(2) the seventh business day after the date of an event that would make a statement in the questionnaire incomplete or inaccurate.

(e) A person is not required to file an updated completed questionnaire under Subsection (d)(1) in a year if the person has filed a questionnaire under Subsection (c) or (d)(2) on or after June 1, but before September 1, of that year.

(f) A person commits an offense if the person violates this section. An offense under this subsection is a Class C misdemeanor.

(g) It is a defense to prosecution under Subsection (f) that the person filed the required questionnaire not later than the seventh business day after the date the person received notice of the violation.

Added by Acts 2005, 79th Leg., ch. 1014, Sec. 1, eff. June 18, 2005.

Sec. 176.007. LIST OF GOVERNMENT OFFICERS. The records administrator for a local governmental entity shall maintain a list of local government officers of the entity and shall make that list available to the public and any person who may be required to file a questionnaire under Section 176.006.

Added by Acts 2005, 79th Leg., ch. 1014, Sec. 1, eff. June 18, 2005.

Sec. 176.008. ELECTRONIC FILING. The requirements of this chapter, including signature requirements, may be satisfied by electronic filing in a form approved by the commission.

Added by Acts 2005, 79th Leg., ch. 1014, Sec. 1, eff. June 18, 2005.

Sec. 176.009. POSTING ON INTERNET. (a) A local governmental entity shall provide access to the statements and questionnaires filed under this chapter on the Internet website maintained by the local governmental entity.

(b) This subsection applies only to a county with a population of 800,000 or more or a municipality with a population of 500,000 or more. A county or municipality shall provide, on the Internet website maintained by the county or municipality, access to each report of political contributions and expenditures filed under Chapter 254, Election Code, by a member of the commissioners court of the county or the governing body of the municipality in relation to that office as soon as practicable after the officer files the report.

Added by Acts 2005, 79th Leg., ch. 1014, Sec. 1, eff. June 18, 2005.

Sec. 176.010. REQUIREMENTS CUMULATIVE. The requirements of this chapter are in addition to any other disclosure required by law.

Added by Acts 2005, 79th Leg., ch. 1014, Sec. 1, eff. June 18, 2005.

**LOCAL GOVERNMENT OFFICER
CONFLICTS DISCLOSURE STATEMENT**

FORM CIS

(Instructions for completing and filing this form are provided on the back.)

This is the notice to the appropriate local governmental entity that the following local government officer has become aware of facts that require the officer to file this statement in accordance with chapter 176, Local Government Code.

OFFICE USE ONLY

Date Received

1 Name of Local Government Officer

2 Office Held

3 Name of person described by Sections 176.002(a) and 176.003(a), Local Government Code

4 Description of the nature and extent of employment or business relationship with person named in item 3

5 List gifts if aggregate value of the gifts received from person named in item 3 exceed \$250

Date Gift Received _____ Description of Gift _____ Did Not Accept Gift

Date Gift Received _____ Description of Gift _____ Did Not Accept Gift

Date Gift Received _____ Description of Gift _____ Did Not Accept Gift

(attach additional forms as necessary)

6 **AFFIDAVIT**

I swear under penalty of perjury that the above statement is true and correct. I acknowledge that the disclosure applies to a family member (as defined by Section 176.001(2), Local Government Code) of a government officer. I also acknowledge that this statement covers the 12-month period described by Section 176.003(a)(2)(b), Local Government Code.

Signature of Local Government Officer

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said _____, this the _____ day
of _____, 20_____, to certify which, witness my hand and seal of office.

Signature of officer administering oath

Printed name of officer administering oath

Title of officer administering oath

LOCAL GOVERNMENT OFFICER CONFLICTS DISCLOSURE STATEMENT

Section 176.003 of the Local Government Code requires certain local government officers to file this form. A "local government officer" is defined as a member of a governing body of a local government entity or a director, superintendent, administrator, president, or other person designated as the executive officer of the local government entity. This form is required to be filed with the records administrator of the local governmental entity not later than 5 p.m. on the seventh business day after the date on which the officer becomes aware of the facts that require the filing of this statement.

A local government officer commits an offense if the officer knowingly violates Section 176.003, Local Government Code. An offense under this section is a Class C misdemeanor.

Please refer to chapter 176 of the Local Government Code for detailed information regarding the requirement to file this form.

INSTRUCTIONS FOR COMPLETING THIS FORM

The following numbers correspond to the numbered boxes on the other side.

1. **Name of Local Government Officer.** Enter the name of local government officer filing this statement.
2. **Office Held.** Enter the name of the office held by the local government officer filing this statement.
3. **Name of person described by Sections 176.002(a) and 176.003(a), Local Government Code.** Enter the name of the person described by Section 176.002, Local Government Code with whom the officer has an employment or other business relationship as described by Section 176.003(a), Local Government Code.
4. **Description of the nature and extent of employment or business relationship with person named in item 3.** Describe the nature and extent of the relationship of the employment or other business relationship with the person in item 3 as described by Section 176.003(a), Local Government Code.
5. **List gifts if aggregate value of the gifts received from person named in number 3 exceed \$250.** List gifts received during the 12-month period (described by Section 176.003(a)(2)(B), Local Government Code) by the local government officer or family member of the officer from the person named in number 3 that in the aggregate exceed \$250 in value.
6. **Affidavit.** Signature of local government officer.

PENAL CODE

TITLE 8. OFFENSES AGAINST PUBLIC ADMINISTRATION

CHAPTER 36. BRIBERY AND CORRUPT INFLUENCE

Sec. 36.01. DEFINITIONS. In this chapter:

(1) "Custody" means:

(A) detained or under arrest by a peace officer;

or

(B) under restraint by a public servant pursuant to an order of a court.

(2) "Party official" means a person who holds any position or office in a political party, whether by election, appointment, or employment.

(3) "Benefit" means anything reasonably regarded as pecuniary gain or pecuniary advantage, including benefit to any other person in whose welfare the beneficiary has a direct and substantial interest.

(4) "Vote" means to cast a ballot in an election regulated by law.

Acts 1973, 63rd Leg., p. 883, ch. 399, Sec. 1, eff. Jan. 1, 1974. Amended by Acts 1975, 64th Leg., p. 915, ch. 342, Sec. 11, eff. Sept. 1, 1975; Acts 1983, 68th Leg., p. 3237, ch. 558, Sec. 1, eff. Sept. 1, 1983; Acts 1989, 71st Leg., ch. 67, Sec. 2, eff. Sept. 1, 1989; Acts 1991, 72nd Leg., ch. 304, Sec. 4.01, eff. Jan. 1, 1992; Acts 1991, 72nd Leg., ch. 565, Sec. 3, eff. Sept. 1, 1991; Acts 1993, 73rd Leg., ch. 900, Sec. 1.01, eff. Sept. 1, 1994.

Sec. 36.02. BRIBERY. (a) A person commits an offense if he intentionally or knowingly offers, confers, or agrees to confer on another, or solicits, accepts, or agrees to accept from another:

(1) any benefit as consideration for the recipient's decision, opinion, recommendation, vote, or other exercise of discretion as a public servant, party official, or voter;

(2) any benefit as consideration for the recipient's decision, vote, recommendation, or other exercise of official discretion in a judicial or administrative proceeding;

(3) any benefit as consideration for a violation of a duty imposed by law on a public servant or party official; or

(4) any benefit that is a political contribution as defined by Title 15, Election Code, or that is an expenditure made and reported in accordance with Chapter 305, Government Code; if the benefit was offered, conferred, solicited, accepted, or agreed to pursuant to an express agreement to take or withhold a specific exercise of official discretion if such exercise of official discretion would not have been taken or withheld but for the benefit; notwithstanding any rule of evidence or jury instruction allowing factual inferences in the absence of certain evidence, direct evidence of the express agreement shall be required in any prosecution under this subdivision.

(b) It is no defense to prosecution under this section that a person whom the actor sought to influence was not qualified to act in the desired way whether because he had not yet assumed office or he lacked jurisdiction or for any other reason.

(c) It is no defense to prosecution under this section that the benefit is not offered or conferred or that the benefit is not solicited or accepted until after:

(1) the decision, opinion, recommendation, vote, or other exercise of discretion has occurred; or

(2) the public servant ceases to be a public servant.

(d) It is an exception to the application of Subdivisions (1), (2), and (3) of Subsection (a) that the benefit is a political contribution as defined by Title 15, Election Code, or an expenditure made and reported in accordance with Chapter 305, Government Code.

(e) An offense under this section is a felony of the second degree.

Acts 1973, 63rd Leg., p. 883, ch. 399, Sec. 1, eff. Jan. 1, 1974. Amended by Acts 1975, 64th Leg., p. 915, ch. 342, Sec. 11, eff. Sept. 1, 1975; Acts 1983, 68th Leg., p. 3237, ch. 558, Sec. 2, eff. Sept. 1, 1983; Acts 1991, 72nd Leg., ch. 304, Sec. 4.02, eff. Jan. 1, 1992; Acts 1993, 73rd Leg., ch. 900, Sec. 1.01, eff. Sept. 1, 1994.

Sec. 36.03. COERCION OF PUBLIC SERVANT OR VOTER. (a) A person commits an offense if by means of coercion he:

(1) influences or attempts to influence a public servant in a specific exercise of his official power or a specific performance of his official duty or influences or attempts to

influence a public servant to violate the public servant's known legal duty; or

(2) influences or attempts to influence a voter not to vote or to vote in a particular manner.

(b) An offense under this section is a Class A misdemeanor unless the coercion is a threat to commit a felony, in which event it is a felony of the third degree.

(c) It is an exception to the application of Subsection (a)(1) of this section that the person who influences or attempts to influence the public servant is a member of the governing body of a governmental entity, and that the action that influences or attempts to influence the public servant is an official action taken by the member of the governing body. For the purposes of this subsection, the term "official action" includes deliberations by the governing body of a governmental entity.

Acts 1973, 63rd Leg., p. 883, ch. 399, Sec. 1, eff. Jan. 1, 1974. Amended by Acts 1989, 71st Leg., ch. 67, Sec. 1, 3, eff. Sept. 1, 1989; Acts 1993, 73rd Leg., ch. 900, Sec. 1.01, eff. Sept. 1, 1994.

Sec. 36.04. IMPROPER INFLUENCE. (a) A person commits an offense if he privately addresses a representation, entreaty, argument, or other communication to any public servant who exercises or will exercise official discretion in an adjudicatory proceeding with an intent to influence the outcome of the proceeding on the basis of considerations other than those authorized by law.

(b) For purposes of this section, "adjudicatory proceeding" means any proceeding before a court or any other agency of government in which the legal rights, powers, duties, or privileges of specified parties are determined.

(c) An offense under this section is a Class A misdemeanor. Acts 1973, 63rd Leg., p. 883, ch. 399, Sec. 1, eff. Jan. 1, 1974. Amended by Acts 1993, 73rd Leg., ch. 900, Sec. 1.01, eff. Sept. 1, 1994.

Sec. 36.05. TAMPERING WITH WITNESS. (a) A person commits an offense if, with intent to influence the witness, he offers, confers, or agrees to confer any benefit on a witness or prospective witness in an official proceeding or coerces a witness or prospective witness in an official proceeding:

(1) to testify falsely;

(2) to withhold any testimony, information, document, or thing;

(3) to elude legal process summoning him to testify or supply evidence;

(4) to absent himself from an official proceeding to which he has been legally summoned; or

(5) to abstain from, discontinue, or delay the prosecution of another.

(b) A witness or prospective witness in an official proceeding commits an offense if he knowingly solicits, accepts, or agrees to accept any benefit on the representation or understanding that he will do any of the things specified in Subsection (a).

(c) It is a defense to prosecution under Subsection (a)(5) that the benefit received was:

(1) reasonable restitution for damages suffered by the complaining witness as a result of the offense; and

(2) a result of an agreement negotiated with the assistance or acquiescence of an attorney for the state who represented the state in the case.

(d) An offense under this section is a state jail felony.

Acts 1973, 63rd Leg., p. 883, ch. 399, Sec. 1, eff. Jan. 1, 1974. Amended by Acts 1993, 73rd Leg., ch. 900, Sec. 1.01, eff. Sept. 1, 1994; Acts 1997, 75th Leg., ch. 721, Sec. 1, eff. Sept. 1, 1997.

Sec. 36.06. OBSTRUCTION OR RETALIATION. (a) A person commits an offense if he intentionally or knowingly harms or threatens to harm another by an unlawful act:

(1) in retaliation for or on account of the service or status of another as a:

(A) public servant, witness, prospective witness, or informant; or

(B) person who has reported or who the actor knows intends to report the occurrence of a crime; or

(2) to prevent or delay the service of another as a:

(A) public servant, witness, prospective witness, or informant; or

(B) person who has reported or who the actor

knows intends to report the occurrence of a crime.

(b) In this section:

(1) "Honorably retired peace officer" means a peace officer who:

(A) did not retire in lieu of any disciplinary action;

(B) was eligible to retire from a law enforcement agency or was ineligible to retire only as a result of an injury received in the course of the officer's employment with the agency; and

(C) is entitled to receive a pension or annuity for service as a law enforcement officer or is not entitled to receive a pension or annuity only because the law enforcement agency that employed the officer does not offer a pension or annuity to its employees.

(2) "Informant" means a person who has communicated information to the government in connection with any governmental function.

(3) "Public servant" includes an honorably retired peace officer.

(c) An offense under this section is a felony of the third degree unless the victim of the offense was harmed or threatened because of the victim's service or status as a juror, in which event the offense is a felony of the second degree.

Acts 1973, 63rd Leg., p. 883, ch. 399, Sec. 1, eff. Jan. 1, 1974. Amended by Acts 1983, 68th Leg., p. 3238, ch. 558, Sec. 4, eff. Sept. 1, 1983; Acts 1989, 71st Leg., ch. 557, Sec. 1, eff. Sept. 1, 1989; Acts 1993, 73rd Leg., ch. 900, Sec. 1.01, eff. Sept. 1, 1994; Acts 1997, 75th Leg., ch. 239, Sec. 1, eff. Sept. 1, 1997; Acts 2001, 77th Leg., ch. 835, Sec. 1, eff. Sept. 1, 2001; Acts 2003, 78th Leg., ch. 246, Sec. 1, eff. Sept. 1, 2003.

Sec. 36.07. ACCEPTANCE OF HONORARIUM. (a) A public servant commits an offense if the public servant solicits, accepts, or agrees to accept an honorarium in consideration for services that the public servant would not have been requested to provide but for the public servant's official position or duties.

(b) This section does not prohibit a public servant from accepting transportation and lodging expenses in connection with a conference or similar event in which the public servant renders services, such as addressing an audience or engaging in a seminar, to the extent that those services are more than merely perfunctory, or from accepting meals in connection with such an event.

(c) An offense under this section is a Class A misdemeanor. Added by Acts 1991, 72nd Leg., ch. 304, Sec. 4.03, eff. Jan. 1, 1992. Amended by Acts 1993, 73rd Leg., ch. 900, Sec. 1.01, eff. Sept. 1, 1994.

Sec. 36.08. GIFT TO PUBLIC SERVANT BY PERSON SUBJECT TO HIS JURISDICTION. (a) A public servant in an agency performing regulatory functions or conducting inspections or investigations commits an offense if he solicits, accepts, or agrees to accept any benefit from a person the public servant knows to be subject to regulation, inspection, or investigation by the public servant or his agency.

(b) A public servant in an agency having custody of prisoners commits an offense if he solicits, accepts, or agrees to accept any benefit from a person the public servant knows to be in his custody or the custody of his agency.

(c) A public servant in an agency carrying on civil or criminal litigation on behalf of government commits an offense if he solicits, accepts, or agrees to accept any benefit from a person against whom the public servant knows litigation is pending or contemplated by the public servant or his agency.

(d) A public servant who exercises discretion in connection with contracts, purchases, payments, claims, or other pecuniary transactions of government commits an offense if he solicits, accepts, or agrees to accept any benefit from a person the public servant knows is interested in or likely to become interested in any contract, purchase, payment, claim, or transaction involving the exercise of his discretion.

(e) A public servant who has judicial or administrative authority, who is employed by or in a tribunal having judicial or administrative authority, or who participates in the enforcement of the tribunal's decision, commits an offense if he solicits, accepts, or agrees to accept any benefit from a person the public servant knows is interested in or likely to become interested in any

matter before the public servant or tribunal..

(f) A member of the legislature, the governor, the lieutenant governor, or a person employed by a member of the legislature, the governor, the lieutenant governor, or an agency of the legislature commits an offense if he solicits, accepts, or agrees to accept any benefit from any person.

(g) A public servant who is a hearing examiner employed by an agency performing regulatory functions and who conducts hearings in contested cases commits an offense if the public servant solicits, accepts, or agrees to accept any benefit from any person who is appearing before the agency in a contested case, who is doing business with the agency, or who the public servant knows is interested in any matter before the public servant. The exception provided by Section 36.10(b) does not apply to a benefit under this subsection.

(h) An offense under this section is a Class A misdemeanor.

(i) A public servant who receives an unsolicited benefit that the public servant is prohibited from accepting under this section may donate the benefit to a governmental entity that has the authority to accept the gift or may donate the benefit to a recognized tax-exempt charitable organization formed for educational, religious, or scientific purposes.

Acts 1973, 63rd Leg., p. 883, ch. 399, Sec. 1, eff. Jan. 1, 1974. Amended by Acts 1975, 64th Leg., p. 915, ch. 342, Sec. 11, eff. Sept. 1, 1975; Acts 1983, 68th Leg., p. 3238, ch. 558, Sec. 5, eff. Sept. 1, 1983; Acts 1991, 72nd Leg., ch. 304, Sec. 4.04, eff. Jan. 1, 1992; Acts 1993, 73rd Leg., ch. 900, Sec. 1.01, eff. Sept. 1, 1994.

Sec. 36.09. OFFERING GIFT TO PUBLIC SERVANT. (a) A person commits an offense if he offers, confers, or agrees to confer any benefit on a public servant that he knows the public servant is prohibited by law from accepting.

(b) An offense under this section is a Class A misdemeanor.

Acts 1973, 63rd Leg., p. 883, ch. 399, Sec. 1, eff. Jan. 1, 1974. Amended by Acts 1993, 73rd Leg., ch. 900, Sec. 1.01, eff. Sept. 1, 1994.

Sec. 36.10. NON-APPLICABLE. (a) Sections 36.08 (Gift to Public Servant) and 36.09 (Offering Gift to Public Servant) do not apply to:

(1) a fee prescribed by law to be received by a public servant or any other benefit to which the public servant is lawfully entitled or for which he gives legitimate consideration in a capacity other than as a public servant;

(2) a gift or other benefit conferred on account of kinship or a personal, professional, or business relationship independent of the official status of the recipient; or

(3) a benefit to a public servant required to file a statement under Chapter 572, Government Code, or a report under Title 15, Election Code, that is derived from a function in honor or appreciation of the recipient if:

(A) the benefit and the source of any benefit in excess of \$50 is reported in the statement; and

(B) the benefit is used solely to defray the expenses that accrue in the performance of duties or activities in connection with the office which are nonreimbursable by the state or political subdivision;

(4) a political contribution as defined by Title 15, Election Code;

(5) a gift, award, or memento to a member of the legislative or executive branch that is required to be reported under Chapter 305, Government Code;

(6) an item with a value of less than \$50, excluding cash or a negotiable instrument as described by Section 3.104, Business & Commerce Code; or

(7) an item issued by a governmental entity that allows the use of property or facilities owned, leased, or operated by the governmental entity.

(b) Section 36.08 (Gift to Public Servant) does not apply to food, lodging, transportation, or entertainment accepted as a guest and, if the donee is required by law to report those items, reported by the donee in accordance with that law.

(c) Section 36.09 (Offering Gift to Public Servant) does not apply to food, lodging, transportation, or entertainment accepted as a guest and, if the donor is required by law to report those items, reported by the donor in accordance with that law.

(d) Section 36.08 (Gift to Public Servant) does not apply to a gratuity accepted and reported in accordance with Section 11.0262, Parks and Wildlife Code. Section 36.09 (Offering Gift to Public Servant) does not apply to a gratuity that is offered in accordance with Section 11.0262, Parks and Wildlife Code. Acts 1973, 63rd Leg., p. 883, ch. 399, Sec. 1, eff. Jan. 1, 1974. Amended by Acts 1975, 64th Leg., p. 915, ch. 342, Sec. 11, eff. Sept. 1, 1975; Acts 1981, 67th Leg., p. 2707, ch. 738, Sec. 1, eff. Jan. 1, 1982; Acts 1983, 68th Leg., p. 3240, ch. 558, Sec. 6, eff. Sept. 1, 1983; Acts 1987, 70th Leg., ch. 472, Sec. 60, eff. Sept. 1, 1987; Acts 1991, 72nd Leg., ch. 304, Sec. 4.05, eff. Jan. 1, 1992; Acts 1993, 73rd Leg., ch. 900, Sec. 1.01, eff. Sept. 1, 1994; Acts 1995, 74th Leg., ch. 76, Sec. 5.95(38), eff. Sept. 1, 1995; Acts 2005, 79th Leg., ch. 639, Sec. 2, eff. Sept. 1, 2005.

GOVERNMENT CODE

CHAPTER 573. DEGREES OF RELATIONSHIP; NEPOTISM PROHIBITIONS
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 573.001. DEFINITIONS. In this chapter:

(1) "Candidate" has the meaning assigned by Section 251.001, Election Code.

(2) "Position" includes an office, clerkship, employment, or duty.

(3) "Public official" means:

(A) an officer of this state or of a district, county, municipality, precinct, school district, or other political subdivision of this state;

(B) an officer or member of a board of this state or of a district, county, municipality, school district, or other political subdivision of this state; or

(C) a judge of a court created by or under a statute of this state.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 573.002. DEGREES OF RELATIONSHIP. Except as provided by Section 573.043, this chapter applies to relationships within the third degree by consanguinity or within the second degree by affinity.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

SUBCHAPTER B. RELATIONSHIPS BY CONSANGUINITY OR BY AFFINITY

Sec. 573.021. METHOD OF COMPUTING DEGREE OF RELATIONSHIP. The degree of a relationship is computed by the civil law method.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 573.022. DETERMINATION OF CONSANGUINITY. (a) Two individuals are related to each other by consanguinity if:

(1) one is a descendant of the other; or

(2) they share a common ancestor.

(b) An adopted child is considered to be a child of the adoptive parent for this purpose.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 573.023. COMPUTATION OF DEGREE OF CONSANGUINITY. (a) The degree of relationship by consanguinity between an individual and the individual's descendant is determined by the number of generations that separate them. A parent and child are related in the first degree, a grandparent and grandchild in the second degree, a great-grandparent and great-grandchild in the third degree and so on.

(b) If an individual and the individual's relative are related by consanguinity, but neither is descended from the other, the degree of relationship is determined by adding:

(1) the number of generations between the individual and the nearest common ancestor of the individual and the individual's relative; and

(2) the number of generations between the relative and the nearest common ancestor.

(c) An individual's relatives within the third degree by consanguinity are the individual's:

(1) parent or child (relatives in the first degree);

(2) brother, sister, grandparent, or grandchild (relatives in the second degree); and

(3) great-grandparent, great-grandchild, aunt who is a sister of a parent of the individual, uncle who is a brother of a parent of the individual, nephew who is a child of a brother or sister of the individual, or niece who is a child of a brother or sister of the individual (relatives in the third degree).

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 573.024. DETERMINATION OF AFFINITY. (a) Two individuals are related to each other by affinity if:

(1) they are married to each other; or

(2) the spouse of one of the individuals is related by consanguinity to the other individual.

(b) The ending of a marriage by divorce or the death of a spouse ends relationships by affinity created by that marriage unless a child of that marriage is living, in which case the marriage is considered to continue as long as a child of that marriage lives.

(c) Subsection (b) applies to a member of the board of trustees of or an officer of a school district only until the youngest child of the marriage reaches the age of 21 years.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Amended by Acts 1995, 74th Leg., ch. 260, Sec. 32, eff. May 30, 1995.

Sec. 573.025. COMPUTATION OF DEGREE OF AFFINITY. (a) A husband and wife are related to each other in the first degree by affinity. For other relationships by affinity, the degree of relationship is the same as the degree of the underlying relationship by consanguinity. For example: if two individuals are related to each other in the second degree by consanguinity, the spouse of one of the individuals is related to the other individual in the second degree by affinity.

(b) An individual's relatives within the third degree by affinity are:

(1) anyone related by consanguinity to the individual's spouse in one of the ways named in Section 573.023(c); and

(2) the spouse of anyone related to the individual by consanguinity in one of the ways named in Section 573.023(c).

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

SUBCHAPTER C. NEPOTISM PROHIBITIONS

Sec. 573.041. PROHIBITION APPLICABLE TO PUBLIC OFFICIAL. A public official may not appoint, confirm the appointment of, or vote for the appointment or confirmation of the appointment of an individual to a position that is to be directly or indirectly compensated from public funds or fees of office if:

(1) the individual is related to the public official within a degree described by Section 573.002; or

(2) the public official holds the appointment or confirmation authority as a member of a state or local board, the legislature, or a court and the individual is related to another member of that board, legislature, or court within a degree described by Section 573.002.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 573.042. PROHIBITION APPLICABLE TO CANDIDATE. (a) A candidate may not take an affirmative action to influence the following individuals regarding the appointment, reappointment, confirmation of the appointment or reappointment, employment, reemployment, change in status, compensation, or dismissal of another individual related to the candidate within a degree described by Section 573.002:

(1) an employee of the office to which the candidate seeks election; or

(2) an employee or another officer of the governmental body to which the candidate seeks election, if the office the candidate seeks is one office of a multimember governmental body.

(b) The prohibition imposed by this section does not apply to a candidate's actions taken regarding a bona fide class or category of employees or prospective employees.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 573.043. PROHIBITION APPLICABLE TO DISTRICT JUDGE. A district judge may not appoint as official stenographer of the judge's district an individual related to the judge or to the district attorney of the district within the third degree.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 573.044. PROHIBITION APPLICABLE TO TRADING. A public official may not appoint, confirm the appointment of, or vote for the appointment or confirmation of the appointment of an individual to a position in which the individual's services are under the public official's direction or control and that is to be compensated directly or indirectly from public funds or fees of office if:

(1) the individual is related to another public official within a degree described by Section 573.002; and

(2) the appointment, confirmation of the appointment, or vote for appointment or confirmation of the appointment would be carried out in whole or partial consideration for the other public official appointing, confirming the appointment, or voting for the appointment or confirmation of the appointment of an individual who is related to the first public official within a degree described by Section 573.002.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

SUBCHAPTER D. EXCEPTIONS

Sec. 573.061. GENERAL EXCEPTIONS. Section 573.041 does not apply to:

(1) an appointment to the office of a notary public or to the confirmation of that appointment;

(2) an appointment of a page, secretary; attendant; or other employee by the legislature for attendance on any member of the legislature who, because of physical infirmities, is required to have a personal attendant;

(3) a confirmation of the appointment of an appointee appointed to a first term on a date when no individual related to the appointee within a degree described by Section 573.002 was a member of or a candidate for the legislature, or confirmation on reappointment of the appointee to any subsequent consecutive term;

(4) an appointment or employment of a bus driver by a school district if:

(A) the district is located wholly in a county with a population of less than 35,000; or

(B) the district is located in more than one county and the county in which the largest part of the district is located has a population of less than 35,000;

(5) an appointment or employment of a personal attendant by an officer of the state or a political subdivision of the state for attendance on the officer who, because of physical infirmities, is required to have a personal attendant;

(6) an appointment or employment of a substitute teacher by a school district; or

(7) an appointment or employment of a person by a municipality that has a population of less than 200.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993. Amended by Acts 1995, 74th Leg., ch. 76, Sec. 5.07(a), eff. Sept. 1, 1995; Acts 1995, 74th Leg., ch. 260, Sec. 33, eff. May 30, 1995; Acts 1997, 75th Leg., ch. 165, Sec. 31.01(48), eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 1026, Sec. 1, eff. June 18, 1999.

Sec. 573.062. CONTINUOUS EMPLOYMENT. (a) A nepotism prohibition prescribed by Section 573.041 or by a municipal charter or ordinance does not apply to an appointment, confirmation of an appointment, or vote for an appointment or confirmation of an appointment of an individual to a position if:

(1) the individual is employed in the position immediately before the election or appointment of the public official to whom the individual is related in a prohibited degree; and

(2) that prior employment of the individual is continuous for at least:

(A) 30 days, if the public official is appointed;

(B) six months, if the public official is elected at an election other than the general election for state and county officers; or

(C) one year, if the public official is elected at the general election for state and county officers.

(b) If, under Subsection (a), an individual continues in a position, the public official to whom the individual is related in a prohibited degree may not participate in any deliberation or voting on the appointment, reappointment, confirmation of the appointment or reappointment, employment, reemployment, change in status, compensation, or dismissal of the individual if that action applies only to the individual and is not taken regarding a bona fide class or category of employees.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

SUBCHAPTER E. ENFORCEMENT

Sec. 573.081. REMOVAL IN GENERAL. (a) An individual who violates Subchapter C or Section 573.062(b) shall be removed from the individual's position. The removal must be made in accordance with the removal provisions in the constitution of this state, if applicable. If a provision of the constitution does not govern the removal, the removal must be by a quo warranto proceeding.

(b) A removal from a position shall be made immediately and summarily by the original appointing authority if a criminal conviction against the appointee for a violation of Subchapter C or Section 573.062(b) becomes final. If the removal is not made within 30 days after the date the conviction becomes final, the individual holding the position may be removed under Subsection (a).

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 573.082. REMOVAL BY QUO WARRANTO PROCEEDING. (a) A quo warranto proceeding under this chapter must be brought by the attorney general in a district court in Travis County or in a district court of the county in which the defendant resides.

(b) The district or county attorney of the county in which a suit is filed under this section shall assist the attorney general

at the attorney general's discretion.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 573.083. WITHHOLDING PAYMENT OF COMPENSATION. A public official may not approve an account or draw or authorize the drawing of a warrant or order to pay the compensation of an ineligible individual if the official knows the individual is ineligible.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 573.084. CRIMINAL PENALTY. (a) An individual commits an offense involving official misconduct if the individual violates Subchapter C or Section 573.062(b) or 573.083.

(b) An offense under this section is a misdemeanor punishable by a fine not less than \$100 or more than \$1,000.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

GOVERNMENT CODE

CHAPTER 305. REGISTRATION OF LOBBYISTS

SUBCHAPTER A. GENERAL PROVISIONS; REGISTRATION.

Sec. 305.001. POLICY. The operation of responsible democratic government requires that the people be afforded the fullest opportunity to petition their government for the redress of grievances and to express freely their opinions on legislation, pending executive actions, and current issues to individual members of the legislature, legislative committees, state agencies, and members of the executive branch. To preserve and maintain the integrity of the legislative and administrative processes, it is necessary to disclose publicly and regularly the identity, expenditures, and activities of certain persons who, by direct communication with government officers, engage in efforts to persuade members of the legislative or executive branch to take specific actions.

Acts 1985, 69th Leg., ch. 479, Sec. 1, eff. Sept. 1, 1985.

Sec. 305.002. DEFINITIONS. In this chapter:

(1) "Administrative action" means rulemaking, licensing, or any other matter that may be the subject of action by a state agency, including the proposal, consideration, or approval of the matter.

(2) "Communicates directly with" or any variation of the phrase means contact in person or by telephone, telegraph, letter, facsimile, electronic mail, or other electronic means of communication.

(3) "Compensation" means money, service, facility, or other thing of value or financial benefit that is received or is to be received in return for or in connection with services rendered or to be rendered.

(4) "Member of the executive branch" means an officer, officer-elect, candidate for, or employee of any state agency, department, or office in the executive branch of state government.

(5) "Expenditure" means a payment, distribution, loan, advance, reimbursement, deposit, or gift of money or any thing of value and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure.

(6) "Legislation" means:

(A) a bill, resolution, amendment, nomination, or other matter pending in either house of the legislature;

(B) any matter that is or may be the subject of action by either house or by a legislative committee, including the introduction, consideration, passage, defeat, approval, or veto of the matter; or

(C) any matter pending in a constitutional convention or that may be the subject of action by a constitutional convention.

(7) "Member of the legislative branch" means a member, member-elect, candidate for, or officer of the legislature or of a legislative committee, or an employee of the legislature.

(8) "Person" means an individual, corporation, association, firm, partnership, committee, club, organization, or group of persons who are voluntarily acting in concert.

(9) "Registrant" means a person required to register under Section 305.003.

(10) "Commission" means the Texas Ethics Commission.

(11) "Immediate family" means a spouse or dependent child.

(12) "Client" means a person or entity for which the registrant is registered or is required to be registered.

(13) "Matter" means the subject matters for which a registrant has been reimbursed, retained, or employed by a client to communicate directly with a member of the legislative or executive branch.

(14) "Person associated with the registrant" or "other associated person" means a partner or other person professionally associated with the registrant through a common business entity, other than a client, that reimburses, retains, or employs the registrant.

Acts 1985, 69th Leg., ch. 479, Sec. 1, eff. Sept. 1, 1985. Amended by Acts 1991, 72nd Leg., ch. 304, Sec. 2.02, eff. Jan. 1, 1992; Acts 1997, 75th Leg., ch. 1058, Sec. 1, eff. Sept. 1, 1997; Acts 2003, 78th Leg., ch. 249, Sec. 4.02, eff. Sept. 1, 2003.

Sec. 305.003. PERSONS REQUIRED TO REGISTER. (a) A person must register with the commission under this chapter if the person:

(1) makes a total expenditure of an amount determined by commission rule but not less than \$200 in a calendar quarter, not including the person's own travel, food, or lodging expenses or the person's own membership dues, on activities described in Section 305.006(b) to communicate directly with one or more members of the legislative or executive branch to influence legislation or administrative action; or

(2) receives compensation or reimbursement, not including reimbursement for the person's own travel, food, or lodging expenses or the person's own membership dues, of more than an amount determined by commission rule but not less than \$200 in a calendar quarter from another person to communicate directly with a member of the legislative or executive branch to influence legislation or administrative action.

(b) Subsection (a)(2) requires a person to register if the person, as part of his regular employment, has communicated directly with a member of the legislative or executive branch to influence legislation or administrative action on behalf of the person by whom he is compensated or reimbursed, whether or not the person receives any compensation for the communication in addition to the salary for that regular employment.

(b-1) Subsection (a)(2) does not require a member of the judicial, legislative, or executive branch of state government or an officer or employee of a political subdivision of the state to register. This subsection does not apply to an officer or employee of a quasi-governmental agency. For purposes of this subsection, "quasi-governmental agency" means a governmental agency, other than an institution of higher education as defined by Section 61.003, Education Code, that has as one of its primary purposes engaging in an activity that is normally engaged in by a nongovernmental agency, including:

(1) acting as a trade association; or

(2) competing in the public utility business with private entities.

(b-2) Subsection (a)(2) does not require an officer or an employee of a state agency that provides utility services under Section 35.102, Utilities Code, and Sections 31.401 and 52.133, Natural Resources Code, to register.

(c) A person who communicates directly with a member of the executive branch to influence administrative action is not required to register under Subsection (a)(2) if the person is an attorney of record or pro se, the person enters his appearance in a public record through pleadings or other written documents in a docketed case pending before a state agency, and that communication is the only activity that would otherwise require the person to register. Acts 1985, 69th Leg., ch. 479, Sec. 1, eff. Sept. 1, 1985. Amended by Acts 1991, 72nd Leg., ch. 304, Sec. 2.03, eff. Jan. 1, 1992; Acts 2003, 78th Leg., ch. 249, Sec. 4.03, eff. Sept. 1, 2003.

Sec. 305.004. EXCEPTIONS. The following persons are not required to register under this chapter:

(1) a person who owns, publishes, or is employed by a newspaper, any other regularly published periodical, a radio station, a television station, a wire service, or any other bona fide news medium that in the ordinary course of business disseminates news, letters to the editors, editorial or other comment, or paid advertisements that directly or indirectly oppose or promote legislation or administrative action, if the person does not engage in further or other activities that require registration under this chapter and does not represent another person in connection with influencing legislation or administrative action;

(2) a person whose only direct communication with a member of the legislative or executive branch to influence legislation or administrative action is an appearance before or testimony to one or more members of the legislative or executive branch in a hearing conducted by or on behalf of either the legislative or the executive branch and who does not receive special or extra compensation for the appearance other than actual expenses incurred in attending the hearing;

(3) a person whose only activity is to encourage or solicit members, employees, or stockholders of an entity by whom the person is reimbursed, employed, or retained to communicate directly with members of the legislative or executive branch to influence legislation or administrative action;

(4) a person whose only activity to influence legislation or administrative action is to compensate or reimburse

an individual registrant to act in the person's behalf to communicate directly with a member of the legislative or executive branch to influence legislation or administrative action;

(5) a person whose only activity to influence legislation or administrative action is attendance at a meeting or entertainment event attended by a member of the legislative or executive branch if the total cost of the meeting or entertainment event is paid by a business entity, union, or association;

(6) a person whose only compensation subject to Section 305.003(a)(2) consists of reimbursement for any wages not earned due to attendance at a meeting or entertainment event, travel to and from the meeting or entertainment event, admission to the meeting or entertainment event, and any food and beverage consumed at the meeting or entertainment event if the meeting or entertainment event is attended by a member of the legislative or executive branch and if the total cost of the meeting or entertainment event is paid by a business entity, union, or association; and

(7) a person who communicates directly with a member of the legislative or executive branch on behalf of a political party concerning legislation or administrative action, and whose expenditures and compensation, as described in Section 305.003, combined do not exceed \$5,000 a calendar year.

Acts 1985, 69th Leg., ch. 479, Sec. 1, eff. Sept. 1, 1985. Amended by Acts 1991, 72nd Leg., ch. 304, Sec. 2.04, eff. Jan. 1, 1992.

Sec. 305.005. REGISTRATION. (a) Each person required to register under this chapter shall file a written registration with the commission and shall submit a registration fee.

(b) A registration filed under this chapter expires at midnight, December 31, of each year unless the registrant submits a registration renewal form to the commission on a form prescribed by the commission and submits the registration renewal fee. The registrant may file the registration renewal form and the fee anytime in December of the year in which the registration expires.

(c) The registration fee and registration renewal fee are:

(1) \$100 for a registrant employed by an organization exempt from federal income tax under Section 501(c)(3) or 501(c)(4), Internal Revenue Code of 1986; or

(2) \$500 for any other registrant.

(d) Repealed by Acts 1999, 76th Leg., ch. 62, Sec. 8.01, eff. Sept. 1, 1999.

(e) A person required to register under this chapter who has not registered or whose registration has expired shall file the registration form and submit the registration fee not later than the fifth day after the date on which the person or the person's employee makes the first direct communication with a member of the legislative or executive branch that requires the person's registration.

(f) The registration must be written and verified and must contain:

(1) the registrant's full name and address;

(2) the registrant's normal business, business phone number, and business address;

(3) the full name and address of each person:

(A) who reimburses, retains, or employs the registrant to communicate directly with a member of the legislative or executive branch to influence legislation or administrative action; and

(B) on whose behalf the registrant has communicated directly with a member of the legislative or executive branch to influence legislation or administrative action;

(4) the subject matter of the legislation or of the administrative action that is the subject of the registrant's direct communication with a member of the legislative or executive branch and, if applicable, the docket number or other administrative designation of the administrative action;

(5) for each person employed or retained by the registrant for the purpose of assisting in direct communication with a member of the legislative or executive branch to influence legislation or administrative action:

(A) the full name, business address, and occupation of the person; and

(B) the subject matter of the legislation or of the administrative action to which the person's activities reportable under this section were related and, if applicable, the

docket number or other administrative designation of the administrative action; and

(6) the amount of compensation or reimbursement paid by each person who reimburses, retains, or employs the registrant for the purpose of communicating directly with a member of the legislative or executive branch or on whose behalf the registrant communicates directly with a member of the legislative or executive branch.

(g) Compensation or reimbursement required to be reported under Subsection (f)(6) shall be reported in the following categories unless reported as an exact amount:

(1) \$0 if no compensation or reimbursement is received;

(2) less than \$10,000;

(3) at least \$10,000 but less than \$25,000;

(4) at least \$25,000 but less than \$50,000;

(5) at least \$50,000 but less than \$100,000;

(6) at least \$100,000 but less than \$150,000;

(7) at least \$150,000 but less than \$200,000; and

(8) \$200,000 or more.

(h) If a registrant's activities are done on behalf of the members of a group or organization, including a business, trade, or consumer interest association but excluding a corporation, the registration form must include:

(1) a statement of the number of members in the group;

(2) the name of each person in the group or organization who determines the policy of the group or organization relating to influencing legislative or administrative action;

(3) a full description of the methods by which the registrant develops and makes decisions about positions on policy; and

(4) a list of those persons making a grant or contribution, in addition to or instead of dues or fees, that exceeds \$250 per year.

(i) If a registrant's activities are done on behalf of a corporation the shares of which are not publicly traded, the registration form must include:

(1) the number of shareholders in the corporation;

(2) the name and address of each officer or member of the board of directors; and

(3) the name of each person owning 10 percent or more shares of the corporation.

(j) If the person described by Subsection (f)(3) is a business entity engaged in the representation of clients for the purpose of influencing legislation or administrative action, the registrant shall give the information required by that subdivision for each client on whose behalf the registrant communicated directly with a member of the legislative or executive branch.

(k) If there is a change in the information required to be reported by a registrant under this section, other than Subsection (h) or (i), and that changed information is not timely reported on a report due under Section 305.007, the registrant shall file an amended statement reflecting the change with the commission not later than the date on which the next report is due under Section 305.007.

Acts 1985, 69th Leg., ch. 479, Sec. 1, eff. Sept. 1, 1985. Amended by Acts 1987, 70th Leg., ch. 432, Sec. 1, eff. Jan. 1, 1988; Acts 1991, 72nd Leg., ch. 304, Sec. 2.05, eff. Jan. 1, 1992; Acts 1995, 74th Leg., ch. 996, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 1134, Sec. 11, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 62, Sec. 8.01, eff. Sept. 1, 1999; Acts 2003, 78th Leg., ch. 249, Sec. 4.04, eff. Sept. 1, 2003; Acts 2005, 79th Leg., ch. 899, Sec. 1.01, eff. Dec. 1, 2005.

Sec. 305.0051. LISTING OF PUBLIC OFFICERS AND EMPLOYEES. (a) Except as provided by Subsection (b), the commission by rule may require an officer or employee of a political subdivision or other governmental entity created under the Texas Constitution or laws of this state who communicates directly with a member of the legislative or executive branch concerning legislation or administrative action, other than routine matters, to file with the commission the officer's or employee's name, the name of the entity represented, the subject matter of the communication, and other information the commission considers relevant.

(b) The commission may not require a member of the

legislative branch to file with the commission under this section. Added by Acts 1991, 72nd Leg., ch. 304, Sec. 2.05, eff. Jan. 1, 1992.

Sec. 305.006. ACTIVITIES REPORT. (a) Each registrant shall file with the commission a written, verified report concerning the activities described by this section.

(b) The report must contain the total expenditures under a category listed in this subsection that the registrant made to communicate directly with a member of the legislative or executive branch to influence legislation or administrative action and that are directly attributable, as that term is used in Section 305.0062(b), to a member of the legislative or executive branch or the immediate family of a member of the legislative or executive branch. The report must also include expenditures for the direct communications under a category listed in this subsection that other people made on the registrant's behalf if the expenditures were made with the registrant's consent or were ratified by the registrant. The expenditures must be reported in the following categories:

- (1) transportation and lodging;
- (2) food and beverages;
- (3) entertainment;
- (4) gifts, other than awards and mementos;
- (5) awards and mementos; and
- (6) expenditures made for the attendance of members of

the legislative or executive branch at political fund-raisers or charity events.

(c) The report must also list the total expenditures made by the registrant or by others on the registrant's behalf and with the registrant's consent or ratification for broadcast or print advertisements, direct mailings, and other mass media communications if:

(1) the communications are made to a person other than a member, employee, or stockholder of an entity that reimburses, retains, or employs the registrant; and

(2) the communications support or oppose or encourage another to support or oppose pending legislation or administrative action.

(d) The report must also contain a list of the specific categories of subject matters about which the registrant, any person the registrant retains or employs to appear on the registrant's behalf, or any other person appearing on the registrant's behalf communicated directly with a member of the legislative or executive branch and that has not been reported under Section 305.005. The list must include the number or other designation assigned to the administrative action, if known.

(e) A registrant who reports an expenditure under one category provided by Subsection (b) may not report the same expenditure under another category of Subsection (b).

(f) An expenditure described by Subsection (b)(1), (2), (3), or (6) may not be made or accepted unless the registrant is present at the event. This subsection does not apply to a gift of food or beverages required to be reported under Subsection (b)(4) in accordance with Section 305.0061(e-1).

Acts 1985, 69th Leg., ch. 479, Sec. 1, eff. Sept. 1, 1985. Amended by Acts 1987, 70th Leg., ch. 167, Sec. 2.02, 2.03, eff. Sept. 1, 1987; Acts 1987, 70th Leg., ch. 432, Sec. 2, eff. Jan. 1, 1988; Acts 1991, 72nd Leg., ch. 304, Sec. 2.06, eff. Jan. 1, 1992; Acts 1995, 74th Leg., ch. 996, Sec. 2, eff. Sept. 1, 1995; Acts 2003, 78th Leg., ch. 249, Sec. 4.05, eff. Sept. 1, 2003; Acts 2005, 79th Leg., ch. 206, Sec. 1, eff. Sept. 1, 2005.

Sec. 305.0061. DETAILED REPORTS. (a) If a registrant or a person on the registrant's behalf and with the registrant's consent or ratification makes expenditures that exceed 60 percent of the amount of the legislative per diem in a day for transportation or lodging for a member of the legislative or executive branch, the registrant shall also state the following on the report filed under Section 305.006:

(1) the name of the member of the legislative or executive branch in whose behalf the expenditure is made;

(2) the place and date of the transportation or lodging; and

(3) the purpose of the transportation or lodging.

(b) If a registrant or a person on the registrant's behalf and with the registrant's consent or ratification makes

expenditures that exceed 60 percent of the amount of the legislative per diem in a day for food and beverages for a member of the legislative or executive branch or makes expenditures that exceed 60 percent of the amount of the legislative per diem in a day for entertainment for a member of the legislative or executive branch or for the immediate family of a member of the legislative or executive branch, the registrant shall also state the following on the report filed under Section 305.006:

- (1) the name of the member of the legislative or executive branch in whose behalf the expenditure is made;
- (2) the place and date of the expenditure; and
- (3) the amount of the expenditure by the appropriate category of the amount, as determined by the commission.

(c) If a registrant or a person on the registrant's behalf and with the registrant's consent or ratification gives to a member of the legislative or executive branch a gift or an award or memento, the value of which exceeds \$50 per gift, award, or memento, the registrant shall also state the following on the report filed under Section 305.006:

- (1) the name of the member of the legislative or executive branch in whose behalf the expenditure is made;
- (2) a general description of the gift, award, or memento; and
- (3) the amount of the expenditure by the appropriate category of the amount, as determined by the commission.

(d) If a registrant or a person on the registrant's behalf and with the registrant's consent or ratification makes expenditures for the attendance of a member of the legislative or executive branch at a political fund-raiser or charity event, the registrant shall also state the following on the report filed under Section 305.006:

- (1) the name of the member of the legislative or executive branch in whose behalf the expenditure is made;
- (2) the name of the charity or the name of the candidate or officeholder for whom the political fund-raiser was held, as applicable; and
- (3) the date of the fund-raiser or event.

(e) If a registrant or a person on the registrant's behalf and with the registrant's consent or ratification makes an expenditure for a gift, award, or memento for a member of the legislative or executive branch in conjunction with an expenditure for the attendance of that member at a political fund-raiser or charity event, the registrant shall report the expenditure for the gift, award, or memento under Subsection (c), if required, and not under Subsection (d).

(e-1). If a registrant or a person on the registrant's behalf and with the registrant's consent or ratification makes an expenditure for food or beverages with a value of \$50 or less intended as a gift for a member of the legislative or executive branch and delivered by first-class United States mail or by common or contract carrier outside the Capitol Complex, the expenditure is considered to be a gift and should be reported under Section 305.006(b)(4).

(f) If a registrant or a person on the registrant's behalf with the registrant's consent or ratification makes an expenditure described by Section 305.006(b)(1), (2), or (3) to communicate directly with more than one member of the legislative or executive branch to influence legislation or administrative action and if the registrant cannot reasonably determine the amount that is directly attributable to a member, the registrant shall apportion the expenditure made by that registrant according to the number of persons in attendance. The registrant shall report as required by Subsection (a), (b), or (c) if the expenditure for each person exceeds the amount provided under Subsection (a), (b), or (c).

(g) In this section, "legislative per diem" means the per diem set by the commission for members of the legislature as provided by Section 24(a), Article III, Texas Constitution. Added by Acts 1991, 72nd Leg., ch. 304, Sec. 2.07, eff. Jan. 1, 1992. Amended by Acts 2003, 78th Leg., ch. 249, Sec. 4.06, eff. Sept. 1, 2003; Acts 2005, 79th Leg., ch. 206, Sec. 2, eff. Sept. 1, 2005.

Sec. 305.0062. EXPENDITURES ATTRIBUTABLE TO GROUPS. (a) The report filed under Section 305.006 must also contain the total expenditures described by Section 305.006(b) that are directly attributable to members of the legislative or executive branch.

The expenditures must be stated in only one of the following categories:

- (1) state senators;
- (2) state representatives;
- (3) elected or appointed state officers, other than those described by Subdivision (1) or (2);
- (4) legislative agency employees;
- (5) executive agency employees;
- (6) the immediate family of a member of the legislative or executive branch;
- (7) guests, when invited by an individual described by Subdivision (1), (2), (3), (4), or (5); and
- (8) events to which all legislators are invited.

(b) For purposes of Subsection (a), an expenditure is directly attributable to the person who consumed the food or beverage, to the person for whom admission, transportation, or lodging expenses were paid, or to the person to whom the gift, award, or memento was given.

(c) All expenditures made by a registrant or a person on the registrant's behalf and with the registrant's consent or ratification that benefit members of the immediate family of members of the legislative or executive branch shall be aggregated and reported under Subsection (a)(6).

(d) If a registrant cannot reasonably determine the amount of an expenditure under Section 305.006(b) that is directly attributable to a member of the legislative or executive branch as required by Subsection (a), the registrant shall apportion the expenditure made by that registrant or by others on the registrant's behalf and with the registrant's consent or ratification according to the total number of persons in attendance. However, if an expenditure is for an event to which all legislators are invited, the registrant shall report the expenditure under Subsection (a)(7) and not under any other subdivision of that subsection or any other provision of this chapter.

Added by Acts 1991, 72nd Leg., ch. 304, Sec. 2.08, eff. Jan. 1, 1992. Amended by Acts 1995, 74th Leg., ch. 996, Sec. 3, eff. Sept. 1, 1995; Acts 2005, 79th Leg., ch. 92, Sec. 1, eff. Sept. 1, 2005.

Sec. 305.0063. MODIFIED REPORTING. (a) A person required to register under this chapter may, when filing the registration form or registration renewal form, elect to file an activities report under this section instead of Section 305.006 if the person does not intend to make expenditures reportable under Section 305.006(b) of more than \$1,000 during a calendar year, not including the person's own travel, food, or lodging expenses or the person's own membership dues.

(b) To be entitled to file reports under this section, the registrant must file with the registration form or registration renewal form a written declaration of intent not to exceed \$1,000 in expenditures during each calendar year in which that registration or registration renewal is effective.

(c) A registrant filing under this section shall annually file the report required by Section 305.006. The report must be filed not later than January 10 and must cover the activities occurring during the previous calendar year.

(d) A registrant who exceeds \$1,000 in expenditures shall file monthly reports as required by Section 305.007. The first report filed after exceeding \$1,000 covers the period beginning January 1 through the date on which the next reporting period ends. Added by Acts 1991, 72nd Leg., ch. 304, Sec. 2.09, eff. Jan. 1, 1992.

Sec. 305.0064. ELECTRONIC FILING OF REGISTRATIONS AND ACTIVITY REPORTS. (a) Except as provided by Subsection (b), each registration filed under Section 305.005 and each report filed under Section 305.006 must be filed by computer diskette, modem, or other means of electronic transfer, using computer software provided by the commission or computer software that meets commission specifications for a standard file format.

(b) The commission shall adopt rules under which a registrant may file paper registrations or reports on forms prescribed by the commission. The rules must be designed to ensure that:

- (1) use of the electronic filing system under Subsection (a) is maximized; and
- (2) registrants may file paper registrations or

reports for good cause only.

(c) Expired.

(d) Expired.

Added by Acts 2003, 78th Leg., ch. 249, Sec. 4.07, eff. Sept. 1, 2003.

Sec. 305.007. FILING DATES FOR SUPPLEMENTAL REPORTS. (a) The registrant must file the report required by Section 305.006 between the 1st and 10th day of each month. Subject to Section 305.0071, the report must cover the activities occurring during the previous month.

(b) A person who made expenditures on the registrant's behalf that are required to be reported under Section 305.006 or a person who has other information that is required to be reported by the registrant under this chapter shall provide a full, verified account of the expenditures to the registrant not later than the seventh day before the date on which the registrant's report is due. Acts 1985, 69th Leg., ch. 479, Sec. 1, eff. Sept. 1, 1985. Amended by Acts 1991, 72nd Leg., ch. 304, Sec. 2.10, eff. Jan. 1, 1992; Acts 2005, 79th Leg., ch. 206, Sec. 3, eff. Sept. 1, 2005.

Sec. 305.0071. INCLUSION OF EXPENDITURE IN REPORT. (a) Except as provided by this section:

(1) an expenditure is not required to be included in a report under Section 305.006 for a month before the month in which the amount is readily determinable by the person making the expenditure; and

(2) an expenditure is not required to be included in a report under Section 305.0063 for a calendar year before the year in which the amount is readily determinable by the person making the expenditure.

(b) An expenditure that is of a character for which, under normal business practice, the amount is not disclosed until receipt of a periodic bill must be included in the report for the reporting period in which the bill is received.

(c) The amount of an expenditure made by credit card must be included in the report for the reporting period in which:

(1) the expenditure is made; or

(2) the person receives the credit card statement that includes the expenditure.

Added by Acts 2005, 79th Leg., ch. 206, Sec. 4, eff. Sept. 1, 2005.

Sec. 305.008. TERMINATION NOTICE. (a) A person who ceases to engage in activities requiring registration under this chapter shall file a written, verified statement with the commission acknowledging the termination of activities. The notice is effective immediately.

(b) A person who files a notice of termination under this section must file the reports required by Section 305.006 for any reporting period during which the person was registered.

Acts 1985, 69th Leg., ch. 479, Sec. 1, eff. Sept. 1, 1985. Amended by Acts 1993, 73rd Leg., ch. 107, Sec. 3.23, eff. Aug. 30, 1993.

Sec. 305.009. MAINTENANCE OF REPORTS. (a) All reports filed under this chapter are public records and shall be made available for public inspection during regular business hours.

(b) The commission shall:

(1) design and provide appropriate forms, covering only the items required to be disclosed under this chapter, to be used for the registration and reporting of required information;

(2) maintain registrations and reports in a separate, alphabetical file;

(3) remove registrations and reports from the files after five years from the date of filing; and

(4) maintain a deputy available to receive registrations and reports and make the registrations and reports available to the public for inspection.

(c) The commission shall retain a report filed under this chapter for at least four years after the date the report is filed.

(d) A registrant shall keep any records necessary to the reports required under this chapter for at least four years after the date the report is filed.

Acts 1985, 69th Leg., ch. 479, Sec. 1, eff. Sept. 1, 1985. Amended by Acts 1991, 72nd Leg., ch. 304, Sec. 2.11, eff. Jan. 1, 1992; Acts 1993, 73rd Leg., ch. 107, Sec. 3.24, eff. Aug. 30, 1993.

Sec. 305.010. TIMELINESS OF FILING REGISTRATIONS AND REPORTS. A registration or report filed by first-class United States mail or by common or contract carrier is timely if:

(1) it is properly addressed with postage or handling

charges prepaid; and

(2) it bears a post office cancellation mark or a receipt mark from a common or contract carrier indicating a time within the applicable filing period or before the applicable filing deadline or if the person required to file furnishes satisfactory proof that it was deposited in the mail or with a common or contract carrier within that period or before that deadline. . . .
Added by Acts 1987, 70th Leg., ch. 167, Sec. 2.04(a), eff. Sept. 1, 1987.

Sec. 305.011. LIST OF REGISTRANTS AND EMPLOYERS. (a) Not later than February 1 of each odd-numbered year, the commission shall prepare a list of the names of registrants and shall indicate by each registrant's name each employer or concern employing the registrant.

(b) In addition to the list required under Subsection (a), the commission shall prepare a list of the names of any employer or concern employing a registrant and shall indicate each registrant compensated by the employer or concern.

(c) The commission shall send the lists prepared under this section to each member of the legislature. During a regular legislative session, the commission shall send a monthly update of the lists to each member of the legislature and to any person required to file under Chapter 572, who requests one.

Added by Acts 1991, 72nd Leg., ch. 304, Sec. 2.12, eff. Jan. 1, 1992. Amended by Acts 1993, 73rd Leg., ch. 107, Sec. 3.25, eff. Aug. 30, 1993; Acts 1995, 74th Leg., ch. 76, Sec. 5.95(40), eff. Sept. 1, 1995.

SUBCHAPTER B. PROHIBITED ACTIVITIES

Sec. 305.021. FALSE COMMUNICATIONS. A person, for the purpose of influencing legislation or administrative action, may not:

(1) knowingly or wilfully make a false statement or misrepresentation of the facts to a member of the legislative or executive branch; or

(2) cause a copy of a document the person knows to contain a false statement to be received by a member of the legislative or executive branch without notifying the member in writing of the truth.

Acts 1985, 69th Leg., ch. 479, Sec. 1, eff. Sept. 1, 1985.

Sec. 305.022. CONTINGENT FEES. (a) A person may not retain or employ another person to influence legislation or administrative action for compensation that is totally or partially contingent on the passage or defeat of any legislation, the governor's approval or veto of any legislation, or the outcome of any administrative action.

(b) A person may not accept any employment or render any service to influence legislation or administrative action for compensation contingent on the passage or defeat of any legislation, the governor's approval or veto of any legislation, or the outcome of any administrative action.

(c) For purposes of this section, a sales commission payable to an employee of a vendor of a product is not considered compensation contingent on the outcome of administrative action.

(d) This section does not prohibit the payment or acceptance of contingent fees:

(1) expressly authorized by other law; or

(2) for legal representation before state administrative agencies in contested hearings or similar adversarial proceedings prescribed by law or administrative rules.
Acts 1985, 69th Leg., ch. 479, Sec. 1, eff. Sept. 1, 1985. Amended by Acts 1991, 72nd Leg., ch. 304, Sec. 2.13, eff. Jan. 1, 1992.

Sec. 305.023. ADMISSION TO FLOORS. A person who is registered or required to be registered under this chapter may not go on the floor of either house of the legislature while that house is in session unless invited by that house.
Acts 1985, 69th Leg., ch. 479, Sec. 1, eff. Sept. 1, 1985.

Sec. 305.024. RESTRICTIONS ON EXPENDITURES. (a) Except as provided by Section 305.025, a person registered under Section 305.005 or a person on the registrant's behalf and with the registrant's consent or ratification may not offer, confer, or agree to confer:

(1) to an individual described by Section 305.0062(a)(1), (2), (3), (4), or (5):

(A) a loan, including the guarantee or endorsement of a loan; or

(B) a gift of cash or a negotiable instrument as described by Section 3.104, Business & Commerce Code; or
(2) to an individual described by Section 305.0062(a)(1), (2), (3), (4), (5), (6), or (7):

(A) an expenditure for transportation and lodging;

(B) an expenditure or series of expenditures for entertainment that in the aggregate exceed \$500 in a calendar year;

(C) an expenditure or series of expenditures for gifts that in the aggregate exceed \$500 in a calendar year;

(D) an expenditure for an award or memento that exceeds \$500; or

(E) an expenditure described by Section 305.006(b)(1), (2), (3), or (6) unless:

(i) the registrant is present at the event; or

(ii) the expenditure is for a gift of food or beverages required to be reported under Section 305.006(b)(4) in accordance with Section 305.0061(e-1).

(b) Except as provided by Section 305.025, a member of the legislative or executive branch may not solicit, accept, or agree to accept from a person registered under Section 305.005 or from a person on the registrant's behalf and with the registrant's consent or ratification an item listed in Subsection (a).

Added by Acts 1991, 72nd Leg., ch. 304, Sec. 2.14(a), eff. Jan. 1, 1992. Amended by Acts 2005, 79th Leg., ch. 92, Sec. 2, eff. Sept. 1, 2005; Acts 2005, 79th Leg., ch. 206, Sec. 5, eff. Sept. 1, 2005.

Sec. 305.025. EXCEPTIONS. Section 305.024 does not prohibit:

(1) a loan in the due course of business from a corporation or other business entity that is legally engaged in the business of lending money and that has conducted that business continuously for more than one year before the loan is made;

(2) a loan or guarantee of a loan or a gift made or given by a person related within the second degree by affinity or consanguinity to the member of the legislative or executive branch;

(3) necessary expenditures for transportation and lodging when the purpose of the travel is to explore matters directly related to the duties of a member of the legislative or executive branch, such as fact-finding trips, including attendance at informational conferences or an event described by Subdivision (4), but not including attendance at merely ceremonial events or pleasure trips;

(4) necessary expenditures for transportation, lodging, food and beverages, and entertainment provided in connection with a conference, seminar, educational program, or similar event in which the member renders services, such as addressing an audience or engaging in a seminar, to the extent that those services are more than merely perfunctory;

(5) an incidental expenditure for transportation as determined by commission rule; or

(6) a political contribution as defined by Section 251.001, Election Code.

Added by Acts 1991, 72nd Leg., ch. 304, Sec. 2.14(a), eff. Jan. 1, 1992. Amended by Acts 1995, 74th Leg., ch. 996, Sec. 4, eff. Sept. 1, 1995; Acts 2005, 79th Leg., ch. 92, Sec. 3, eff. Sept. 1, 2005.

Sec. 305.026. PROHIBITION ON USE OF CERTAIN PUBLIC FUNDS. (a) Public funds available to a political subdivision may not be used to compensate or reimburse the expenses over \$50 of any person for the purpose of communicating directly with a member of the legislative branch to influence legislation, unless the person being compensated or reimbursed resides in the district of the member with whom the person communicates or files a written statement with the commission that includes the person's name, the amount of compensation or reimbursement, and the name of the affected political subdivision.

(b) In this section, "political subdivision" includes:

(1) a municipality;

(2) a county; and

(3) a special district created under the constitution or laws of this state, including:

(A) a school district;

(B) a junior college district;

(C) a water district;

(D) a hospital district;

(E) a municipal utility district;
(F) a metropolitan transit authority; and
(G) any other governmental entity that embraces a geographic area within a definite boundary and exists for the purpose of discharging functions of government and possesses authority for subordinate self-government through officers selected by it.

(c) This section does not apply to a person who is registered under this chapter, to a person who holds an elective or appointive public office, or to a full-time employee of the affected political subdivision.

(d) This section does not prohibit a political subdivision from making an expenditure of public funds to a statewide association with a minimum membership of at least 25 percent of eligible political subdivisions that contract with or employ a registrant for the purpose of communicating directly with a member of the legislative branch to influence legislation.

Added by Acts 1991, 72nd Leg., ch. 304, Sec. 2.14(a), eff. Jan. 1, 1992. Amended by Acts 1993, 73rd Leg., ch. 107, Sec. 3.26, eff. Aug. 30, 1993.

Sec. 305.027. REQUIRED DISCLOSURE ON LEGISLATIVE ADVERTISING. (a) A person commits an offense if the person knowingly enters into a contract or other agreement to print, publish, or broadcast legislative advertising that does not indicate in the advertising:

- (1) that it is legislative advertising;
- (2) the full name of the individual who personally entered into the contract or agreement with the printer, publisher, or broadcaster and the name of the person, if any, that the individual represents; and
- (3) in the case of advertising that is printed or published, the address of the individual who personally entered into the agreement with the printer or publisher and the address of the person, if any, that the individual represents.

(b) It is an exception to the application of Subsection (a) to a broadcaster, printer, or publisher of legislative advertising or to an agent or employee of the broadcaster, printer, or publisher that:

- (1) the person entering into the contract or agreement with the broadcaster, printer, or publisher is not the actual sponsor of the advertising but is the sponsor's professional advertising agent conducting business in this state; or
- (2) the advertising is procured by the actual sponsor of the legislative advertising and, before the performance of the contract or agreement, the sponsor is given written notice as provided by Subsection (d).

(c) A professional advertising agent conducting business in this state who seeks to procure the broadcasting, printing, or publication of legislative advertising on behalf of the sponsor of the advertising commits an offense if the agent enters into a contract or agreement for the broadcasting, printing, or publication of legislative advertising and does not, before the performance of the contract or agreement, give the sponsor written notice as provided by Subsection (d).

(d) The notice required by Subsections (b) and (c) must be substantially as follows:

Section 305.027, Government Code, requires legislative advertising to disclose certain information. A person who knowingly enters into a contract or other agreement to print, publish, or broadcast legislative advertising that does not contain the information required under that section commits an offense that is a Class A misdemeanor.

(e) In this section, "legislative advertising" means a communication that supports, opposes, or proposes legislation and that:

- (1) in return for consideration, is published in a newspaper, magazine, or other periodical or is broadcast by radio or television; or
- (2) appears in a pamphlet, circular, flier, billboard or other sign, bumper sticker, button, or similar form of written communication.

Added by Acts 1991, 72nd Leg., ch. 304, Sec. 2.14(a), eff. Jan. 1, 1992.

Sec. 305.028. PROHIBITED CONFLICTS OF INTEREST. (a) In this section:

(1) "Client" means a person or entity for which the registrant is registered or is required to be registered.

(2) "Matter" means the subject matters for which a registrant has been reimbursed, retained, or employed by a client to communicate directly with a member of the legislative or executive branch.

(3) "Person associated with the registrant" or "other associated person" means a partner or other person professionally associated with the registrant through a common business entity, other than a client, that reimburses, retains, or employs the registrant.

(b) Except as permitted by Subsection (c) or (c-1), a registrant may not represent a client in communicating directly with a member of the legislative or executive branch to influence legislative subject matter or administrative action if the representation of that client:

(1) involves a substantially related matter in which that client's interests are materially and directly adverse to the interests of:

(A) another client of the registrant;
(B) an employer or concern employing the registrant; or

(C) another client of a person associated with the registrant; or

(2) reasonably appears to be adversely limited by:
(A) the registrant's, the employer's or concern's, or the other associated person's responsibilities to another client; or

(B) the registrant's, employer's or concern's own interest, or other associated person's own business interests.

(c) A registrant may represent a client in the circumstances described in Subsection (b) if:

(1) the registrant reasonably believes the representation of each client will not be materially affected;

(2) not later than the second business day after the date the registrant becomes aware of a conflict described by Subsection (b), the registrant provides written notice, in the manner required by the commission, to each affected client; and

(3) not later than the 10th day after the date the registrant becomes aware of a conflict described by Subsection (b), the registrant files with the commission a statement that:

(A) indicates that there is a conflict;
(B) states that the registrant has notified each affected client as required by Subdivision (2); and

(C) states the name and address of each affected client.

(c-1) A registrant may represent a client in the circumstances described in Subsection (b) without regard to whether the registrant reasonably believes the representation of each client will be materially affected if:

(1) the registrant provides the written notice to each affected client as described by Subsection (c)(2) and files the statement described by Subsection (c)(3); and

(2) after the registrant has provided the written notice described by Subsection (c)(2), each affected client of the registrant consents to the conflict and grants the registrant permission to continue the representation.

(d) If a registrant has accepted representation in conflict with the restrictions of this section, or if multiple representation properly accepted becomes improper under this section, the registrant shall promptly withdraw from one or more representations to the extent necessary for any remaining representation not to be in conflict with this section.

(e) If a registrant would be prohibited by this section from engaging in particular conduct, an employer or concern employing the registrant or a partner or other person associated with the registrant may not engage in that conduct.

(f) In each report filed with the commission, a registrant shall, under oath, affirm that the registrant has, to the best of the registrant's knowledge, complied with this section.

(g) The commission may receive complaints regarding a violation of this section. If the commission determines a violation of this section has occurred, the commission, after notice and hearing:

(1) shall impose a civil penalty in an amount not to

exceed \$2,000; and

(2) may rescind the person's registration and may prohibit the person from registering with the commission for a period not to exceed two years from the date of the rescission of the person's registration.

(h) A penalty under this section is in addition to any other enforcement, criminal, or civil action that the commission or another person may take under this chapter or other law.

(i) Repealed by Acts 2005, 79th Leg., ch. 218, Sec. 3.

(j) A statement filed under Subsection (c) is not public information.

(k) The commission may adopt rules to implement this section consistent with this chapter, the Texas Disciplinary Rules of Professional Conduct, and the common law of agency.

Added by Acts 2001, 77th Leg., ch. 1013, Sec. 1, eff. Sept. 1, 2001. Amended by Acts 2003, 78th Leg., ch. 249, Sec. 4.08, 4.12, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1322, Sec. 1, eff. Sept. 1, 2003; Acts 2005, 79th Leg., ch. 218, Sec. 1, 3, eff. Sept. 1, 2005.

SUBCHAPTER C. SANCTIONS

Sec. 305.031. CRIMINAL PENALTIES. (a) A person commits an offense if the person intentionally or knowingly violates a provision of this chapter other than Section 305.022 or 305.028. An offense under this subsection is a Class A misdemeanor.

(b) A person commits an offense if the person intentionally or knowingly violates Section 305.022. An offense under this subsection is a felony of the third degree.

(c) Repealed by Acts 2003, 78th Leg., ch. 249, Sec. 4.12 and Acts 2003, 78th Leg., ch. 1322, Sec. 2.

(d) This chapter does not affect the criminal responsibility of a person under the state laws relating to perjury.

(e) This section does not prohibit the commission from imposing a civil penalty for a violation.

Acts 1985, 69th Leg., ch. 479, Sec. 1, eff. Sept. 1, 1985. Amended by Acts 1991, 72nd Leg., ch. 304, Sec. 2.15, eff. Jan. 1, 1992; Acts 1995, 74th Leg., ch. 996, Sec. 5, eff. Sept. 1, 1995; Acts 2001, 77th Leg., ch. 1013, Sec. 2, eff. Sept. 1, 2001; Acts 2003, 78th Leg., ch. 249, Sec. 4.09, 4.12, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1322, Sec. 2, eff. Sept. 1, 2003; Acts 2005, 79th Leg., ch. 218, Sec. 2, eff. Sept. 1, 2005.

Sec. 305.032. CIVIL PENALTY FOR FAILURE TO REGISTER. In addition to the criminal penalties prescribed by Section 305.031, a person who receives compensation or reimbursement or makes an expenditure for engaging in direct communication to influence legislation or administrative action and who fails to file a registration form or activities report required to be filed under this chapter shall pay a civil penalty in an amount determined by commission rule, but not to exceed an amount equal to three times the compensation, reimbursement, or expenditure.

Acts 1985, 69th Leg., ch. 479, Sec. 1, eff. Sept. 1, 1985. Amended by Acts 1991, 72nd Leg., ch. 304, Sec. 2.16, eff. Jan. 1, 1992.

Sec. 305.033. CIVIL PENALTY FOR LATE FILING. (a) The commission shall determine from any available evidence whether a registration or report required to be filed with the commission under this chapter is late. A registration filed without the fee required by Section 305.005 is considered to be late. On making a determination that a required registration or report is late, the commission shall immediately mail a notice of the determination to the person responsible for the filing, to the commission, and to the appropriate attorney for the state.

(b) If a registration or report is determined to be late, the person responsible for the filing is liable to the state for payment of a civil penalty of \$500.

(c) If a registration or report is more than 30 days late, the commission shall issue a warning of liability by registered mail to the person responsible for the filing. If the penalty is not paid before the 10th day after the date on which the warning is received, the person is liable for a penalty in an amount determined by commission rule, but not to exceed \$10,000.

(d) A penalty paid voluntarily under this section shall be deposited in the state treasury to the credit of the General Revenue Fund.

(e) This section is in addition to any other available sanctions for late filings of registrations or reports.

(f) A registration or report other than an activities report

filed by a registrant is not considered to be late for purposes of this section if the registrant files a corrected or amended registration or report not later than the 14th business day after the date the registrant becomes aware of the error or omission in the registration or report originally filed.

Acts 1985, 69th Leg., ch. 479, Sec. 1, eff. Sept. 1, 1985. Amended by Acts 1987, 70th Leg., ch. 432, Sec. 3, eff. Jan. 1, 1988; Acts 1991, 72nd Leg., ch. 304, Sec. 2.17, eff. Jan. 1, 1992; Acts 1993, 73rd Leg., ch. 107, Sec. 3.27, eff. Aug. 30, 1993; Acts 2003, 78th Leg., ch. 249, Sec. 4.10, eff. Sept. 1, 2003; Acts 2005, 79th Leg., ch. 1250, Sec. 1, eff. Sept. 1, 2005.

Sec. 305.034. FAILURE TO FILE ALL REQUIRED FORMS. (a) The commission shall determine whether all persons registered under this chapter have filed all required forms, statements, and reports.

(b) Whenever the commission determines that a person has failed to file any required form, statement, or report as required by this chapter, the commission shall send a written statement of this finding to the person involved. Notice to the person involved must be sent by certified mail.

(c) If the person fails to file the form, statement, or report as required by this chapter before the 21st day after the date on which the notice was sent, the commission shall file a sworn complaint of the violation with the appropriate prosecuting attorney.

Acts 1985, 69th Leg., ch. 479, Sec. 1, eff. Sept. 1, 1985; Amended by Acts 1993, 73rd Leg., ch. 107, Sec. 3.28, eff. Aug. 30, 1993.

Sec. 305.035. ENFORCEMENT. (a) The commission, the attorney general, or any county or district attorney may enforce this chapter.

(b) On the application of any citizen of this state, a district court in Travis County may issue an injunction to enforce this chapter.

(c) A person may file with the appropriate prosecuting attorney or with the commission a written, sworn statement alleging a violation of this chapter.

Acts 1985, 69th Leg., ch. 479, Sec. 1, eff. Sept. 1, 1985. Amended by Acts 1991, 72nd Leg., ch. 304, Sec. 2.18, eff. Jan. 1, 1992.

Sec. 305.036. VENUE. An offense under this chapter, including perjury, may be prosecuted in Travis County or in any other county in which it may be prosecuted under the Code of Criminal Procedure, 1965.

Acts 1985, 69th Leg., ch. 479, Sec. 1, eff. Sept. 1, 1985.

GOVERNMENT CODE

CHAPTER 611. LODGING, MEAL, AND TRAVEL REIMBURSEMENT

Sec. 611.001. LODGING AND MEAL EXPENSES. (a) An officer or employee of the state or of a political subdivision, including any special-purpose district or authority, may be reimbursed with public funds for lodging or meal expenses only to the extent the expenses are reasonable and necessary under guidelines issued by the Texas Ethics Commission.

(b) This section does not apply if the expenses are restricted by other law.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 611.002. COMMON CARRIER FARES. An officer or employee described by Section 611.001 may not be reimbursed for transportation expenses on a common carrier in an amount exceeding the lowest available fare.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

MOTOR VEHICLE POLICY

A. PURPOSE

CWA may provide CWA vehicles for use by employees or may reimburse employees for using their privately-owned vehicles. CWA vehicles include passenger cars, specialty vehicles, and trucks licensed for highway use that are owned, leased, or rented by CWA. All CWA vehicles shall be operated in a safe, courteous, responsible, and legal manner and in accordance with all Federal, State, and Local laws, ordinances and CWA policies.

B. OBJECTIVES

1. To establish requirements for assigning, operating and using CWA vehicles; and
2. To establish criteria for vehicle allowances and reimbursement procedures for employees who use private vehicles for CWA business.

C. SCOPE

This Policy applies to all CWA employees. All CWA personnel shall follow these procedures when operating and using a CWA vehicle, requesting and approving vehicle assignment, and requesting and approving vehicle allowance or reimbursement for use of a privately-owned vehicle.

D. RESPONSIBILITIES

1. Except with regard to Officers, the Executive Director is responsible for:
 - a. Approving vehicle assignments;
 - b. Reviewing and approving requests for vehicle allowances and reimbursement for use of private vehicles;
 - c. Monitoring compliance with vehicle assignment and use policies, including reviewing and adjusting vehicle allowances semi-annually and reviewing vehicle assignments; and
 - d. Revoking assigned vehicles privileges for non-compliance and adjusting or revoking vehicle allowances.
2. Employees are responsible for maintaining records of the personal use of CWA vehicles. In accordance with IRS regulations, the imputed value of the personal use of CWA vehicles will be included in the employees' gross pay and be taxable as income.

E. IDENTIFICATION OF CWA VEHICLES

No CWA owned vehicle shall be operated without proof of insurance, evidence of title, and appropriate identification affixed thereto. See, Texas Transportation Code, Chapter 502.

F. ASSIGNMENT OF CWA VEHICLES

1. Employees, by nature of job assignments and/or responsibilities, may be assigned vehicles at the discretion of the Executive Director.
2. CWA vehicles may be assigned to individual employees or a group of employees (pools) where providing a vehicle is required to perform assigned duties. Two or more employees may be assigned to a vehicle.
3. Employees assigned vehicles are not eligible for vehicle allowances.

G. DRIVER QUALIFICATION

The Executive Director shall verify the driving qualifications of any applicant seeking employment with CWA.

H. OPERATING RULES

1. Any use of a CWA vehicle which could result in a safety hazard, personal injury, property damage or any damage to the vehicle is strictly prohibited.
2. All operators of CWA vehicles must comply with all traffic laws.
3. All accidents in a CWA vehicle, regardless of how minor, shall be reported by the employee immediately to the law enforcement agency having jurisdiction where the accident occurred and reported to the Executive Director as soon as practicable.
4. Employees shall be responsible for all traffic citations and/or fines received when operating CWA vehicles.

I. REIMBURSEMENT FOR USE OF PRIVATE VEHICLES

Employees using privately-owned vehicles shall be reimbursed for private vehicle expenses in one of the following manners:

1. Vehicle Allowances.
 - a. If approved, vehicle allowances shall be paid to employees at the rates included as Attachment I.

- b. These allowance rates may be adjusted when necessary. Vehicle allowance payments will be included in gross pay and are taxable as income.

2. Reimbursement for mileage

Employees may be reimbursed for mileage for use of privately-owned vehicles for CWA business at the per mile rate allowed by the Internal Revenue Service. Such reimbursements do not represent taxable income.

VEHICLE ALLOWANCE

The current vehicle allowance approved by the Board of Directors of CWA is \$375.00 per month.