

AN ACT

relating to the applicability of state ethics laws to and indemnification of directors and officers of regional mobility authorities; providing penalties.

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

SECTION 1. Subchapter F, Chapter 370, Transportation Code, is amended by adding Sections 370.2521, 370.2522, and 370.2523 to read as follows:

Sec. 370.2521. FILING OF FINANCIAL STATEMENT BY DIRECTOR.

(a) Except as provided by Subsection (c), (d), or (e) a director shall file the financial statement required of state officers under Subchapter B, Chapter 572, Government Code, with the Texas Ethics Commission.

(b) Subchapter B, Chapter 572, Government Code:

(1) applies to a director as if the director were a state officer; and

(2) governs the contents, timeliness of filing, and public inspection of a statement filed under Subsection (a).

(c) Subsection (a) does not apply to a director who is a state officer subject to Subchapter B, Chapter 572, Government Code.

(d) A director who is a municipal officer subject to Chapter 145, Local Government Code, or a county officer subject to Subchapter A, Chapter 159, Local Government Code, shall file with

1 the Texas Ethics Commission a copy of the financial statement filed
2 under Chapter 145, Local Government Code, or Subchapter A, Chapter
3 159, Local Government Code, as applicable. Subchapter B, Chapter
4 572, Government Code, governs the timeliness of filing and public
5 inspection of a copy of a statement filed under this subsection.

6 (e) Subsection (a) does not apply to an authority if each
7 county that is a part of the authority has a population of less than
8 200,000. The commissioners courts of the counties that are a part
9 of an authority to which this subsection applies may jointly adopt a
10 process that requires the directors of the authority to disclose
11 personal financial activity as specified by the commissioners
12 courts.

13 (f) A person subject to Subsection (a) or (d) commits an
14 offense if the person fails to file the statement required by
15 Subsection (a) or the copy required by Subsection (d), as
16 applicable. An offense under this subsection is a Class B
17 misdemeanor.

18 Sec. 370.2522. APPLICABILITY OF CONFLICTS OF INTEREST LAW
19 TO DIRECTORS. (a) A director is considered to be a local public
20 official for purposes of Chapter 171, Local Government Code.

21 (b) For purposes of Chapter 171, Local Government Code, a
22 director, in connection with a vote or decision by the board, is
23 considered to have a substantial interest in a business entity if a
24 person related to the director in the second degree by
25 consanguinity, as determined under Chapter 573, Government Code,
26 has a substantial interest in the business entity.

27 Sec. 370.2523. APPLICABILITY OF NEPOTISM LAWS. A director

1 is a public official for purposes of Chapter 573, Government Code.

2 SECTION 2. Section 370.258, Transportation Code, is amended
3 by adding Subsection (e) to read as follows:

4 (e) If an officer or director who has been indemnified by an
5 authority under Subsection (a) is subsequently convicted of an
6 offense involving the conduct for which the officer or director was
7 indemnified, the officer or director is liable to the authority for
8 the amount of indemnification paid, with interest at the legal rate
9 for interest on a judgment from the date the indemnification was
10 paid.

11 SECTION 3. (a) Section 370.2521, Transportation Code, as
12 added by this Act, applies beginning January 1, 2006. A person
13 subject to Section 370.2521(a), Transportation Code, as added by
14 this Act, is not required to include financial activity occurring
15 before January 1, 2005, in a financial disclosure statement under
16 that section.

17 (b) Sections 370.2522 and 370.2523, Transportation Code, as
18 added by this Act, apply only to an action taken by the board of a
19 regional mobility authority on or after September 1, 2005. An
20 action taken by the board of a regional mobility authority before
21 September 1, 2005, is subject to the law in effect on the date the
22 action was taken, and the former law is continued in effect for that
23 purpose.

24 SECTION 4. This Act takes effect September 1, 2005.

David Dewhurst

President of the Senate

Jim Caddell

Speaker of the House

I certify that H.B. No. 1708 was passed by the House on April 26, 2005, by a non-record vote; and that the House concurred in Senate amendments to H.B. No. 1708 on May 24, 2005, by a non-record vote.

Robert Haney

Chief Clerk of the House

I certify that H.B. No. 1708 was passed by the Senate, with amendments, on May 23, 2005, by the following vote: Yeas 31, Nays 0.

Letsy Saw

Secretary of the Senate

APPROVED: 17 JUNE 05

Date

Rick Perry

Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
11:20 AM CLOCK

Roger Williams
Secretary of State