

CHAPTER 323

S.B. No. 1131

AN ACT

relating to conflicts of interest for a local public official with a substantial interest in a business; creating an offense and providing a penalty.

*Be it enacted by the Legislature of the State of Texas:*

SECTION 1. Subsection (a), Section 3, Chapter 640, Acts of the 68th Legislature, Regular Session, 1983 (Article 988b, Vernon's Texas Civil Statutes), is amended to read as follows:

(a) Except as provided by Section 5 of this Act, a local public official commits an offense if he knowingly:

(1) participates in a vote or decision on a matter involving a business entity *or real property* in which the local public official has a substantial interest if it is reasonably

foreseeable that an action on the matter would confer an economic benefit to the business entity involved;

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

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

SECTION 2. Section 4, Chapter 640, Acts of the 68th Legislature, Regular Session, 1983 (Article 988b, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 4. AFFIDAVIT. (a) If a local public official or a person related to that official in the first or second degree by either affinity or consanguinity has a substantial interest in a business entity that would be *pecuniarily* [~~peculiarly~~] affected by any official action taken by the governing body, the local public official, 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 must be filed with the official recordkeeper of the governmental entity.

(b) *If a local public official is required to file and does file an affidavit of interest under Subsection (a) of this section, that official shall not be required to abstain from further participation in the matter or matters requiring such an 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.*

SECTION 3. Section 5, Chapter 640, Acts of the 68th Legislature, Regular Session, 1983 (Article 988b, Vernon's Texas Civil Statutes), is amended by adding Subsection (c) to read as follows:

(c) *A local public official may perform an act prohibited by Section 3 of this Act if a majority of the membership of the governmental entity of which the official is a member is composed of persons who are required to file affidavits of similar interests under Subsection (b) of Section 4 of this Act on the official action.*

SECTION 4. An offense committed under Chapter 640, Acts of the 68th Legislature, Regular Session, 1983 (Article 988b, Vernon's Texas Civil Statutes), before the effective date of this Act is governed by the law in existence on the date the offense occurred, and the former law is continued in effect for that purpose.

SECTION 5. This Act takes effect September 1, 1987.

SECTION 6. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Passed the Senate on May 8, 1987, by a viva-voce vote; May 30, 1987, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 30, 1987, House granted request of the Senate; June 1, 1987, Senate adopted Conference Committee Report by a viva-voce vote. Passed the House, with amendments, on May 29, 1987, by a non-record vote; May 30, 1987, House granted request of the Senate for appointment of Conference Committee; June 1, 1987, House adopted Conference Committee Report by a non-record vote.

Approved June 11, 1987.

Effective Sept. 1, 1987.