

Business Entity: Disclosure of Interested Parties Texas Government Code § 2252.908, as Amended

In accordance with Section 2252.908 of the Texas Government Code, Galveston County may not enter into a contract with a business entity that requires the approval of the Commissioners Court until that business entity files a Form 1295 with the Texas Ethics Commission through the Texas Ethics Commission's online reporting and then files the completed, signed, and notarized Form 1295 with the Galveston County Purchasing Agent.

Section 2252.908 of the Government Code was enacted by the Texas Legislature in 2015 by House bill 1295. Section 2252.908 was amended in 2017. Regulatory provisions were also adopted and have been subsequently amended. This summary explanation pertains to the statutory and regulatory provisions as amended, with the latest amendments effective January 1, 2018. Under this law, any business entity that enters into a contract with Galveston County that requires the approval of the Commissioners Court must disclose its interested parties through the "Certificate of Interested Parties", Form 1295, promulgated by the Texas Ethics Commission, unless the business entity is exempted from this reporting requirement (for example, as amended, publicly traded business entities are exempt).

The completed and signed Form 1295 must be submitted to the Galveston County Purchasing Agent's Office prior to the execution of the contract. However, if the business entity believes that it is exempted from this reporting requirement, then it must provide a written affirmation of its exemption, stating how it qualifies for an exemption, to the Galveston County Purchasing Agent.

The Texas Ethics Commission remains charged with adopting rules to implement Section 2252.908 of the Government Code. The rules adopted by the Texas Ethics Commission are located at Sections 46.1, 46.3, 46.4, and 46.5 of Title 1 of the Texas Administrative Code.

The Texas Ethics Commission's website is: www.ethics.state.tx.us. The area of their website pertaining to Form 1295 is: www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm.

Each business entity must visit the Texas Ethics Commission website, since **Form 1295 must be completed electronically through the Texas Ethics Commission website** (handwritten forms are not allowable).

Once the business entity has completed their electronic filing of Form 1295 with the Texas Ethics Commission, then the business entity must print out the form, and complete and sign the declaration. The declaration must be signed by an authorized agent of the business entity. This declaration replaces the previous notary requirement. The declaration requires the Declarant (who must be an authorized agent of the business entity) to provide the Declarant's date of birth. The Texas Ethics Commission has advised that it will not show the Declarant's date of birth in the copies of Form 1295 available through its website.

Once Form 1295 is completed and the declaration completed and signed, the business entity must submit the completed and signed Form 1295 to the Galveston County Purchasing Agent. Thus, please mail or deliver the completed and signed Form 1295 to the following:

Galveston County Purchasing Agent
722 Moody, 5th Floor
Galveston, Texas 77550

The above process must be completed before the Commissioners Court may execute the contract. No portion of the Form 1295 process commits the County to any type of award of contract whatsoever.

After the Purchasing Agent's Office receives the completed and signed Form 1295, the Purchasing Agent's Office will, within 30 days, go the Texas Ethics Commission website to submit electronic confirmation of the County's receipt of the completed and signed Form 1295.

The Galveston County Purchasing Agent's Office hopes this summary information is helpful. This summary explanation is not exhaustive, and all business entities are encouraged to visit the Texas Ethics Commission website, which contains Frequently Asked Questions, instructional videos, and much more information on the Form 1295, Certificate of Interested Parties requirements and/or to consult with their own counsel.

See following pages for an Example Form and the Statutory Provision

CERTIFICATE OF INTERESTED PARTIES EXAMPLE ONLY FORM 1295

OFFICE USE ONLY

Complete Nos. 1 - 4 and 6 if there are interested parties.
 Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

[Fill in the requested business entity information]

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

Galveston County

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

[Fill in contract number on file in Galveston County Purchasing Agent's Office]

4 Name of Interested Party	City, State, Country (place of business)	Nature of Interest (check applicable)	
		Controlling	Intermediary
See Section 2252.908 of the Texas Government Code, Sections 46.1, 46.3, 46.4, and 46.5 of Title 1 of the Texas Administrative Code, and the Texas Ethics Commission website			

EXAMPLE

5 Check only if there is NO Interested Party. Check this box if it is applicable

6 UNSWORN DECLARATION

My name is Name of Declarant, and my date of birth is Declarant's date of birth.

My address is Street number and name, City, State, Zip, Country.
(street) (city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in _____ County, State of _____, on the _____ day of _____, 20____.
(list county and state where executed and date of execution) (month) (year)

Signature of Declarant

 Signature of authorized agent of contracting business entity
 (Declarant)

ADD ADDITIONAL PAGES AS NECESSARY

Tex. Gov't Code § 2252.908, as amended, effective September 1, 2017

(a) In this section:

- (1) "Business entity" means any entity recognized by law through which business is conducted, including a sole proprietorship, partnership, or corporation.
- (2) "Governmental entity" means a municipality, county, public school district, or special-purpose district or authority.
- (3) "Interested party" means a person who has a controlling interest in a business entity with whom a governmental entity or state agency contracts or who actively participates in facilitating the contract or negotiating the terms of the contract, including a broker, intermediary, adviser, or attorney for the business entity.
- (4) "State agency" means a board, commission, office, department, or other agency in the executive, judicial, or legislative branch of state government. The term includes an institution of higher education as defined by Section 61.003, Education Code.

(b) This section applies only to a contract of a governmental entity or state agency that:

- (1) requires an action or vote by the governing body of the entity or agency before the contract may be signed; or
- (2) has a value of at least \$1 million.

(c) Notwithstanding Subsection (b), this section does not apply to:

- (1) a sponsored research contract of an institution of higher education;
- (2) an interagency contract of a state agency or an institution of higher education; or
- (3) a contract related to health and human services if:
 - (A) the value of the contract cannot be determined at the time the contract is executed; and
 - (B) any qualified vendor is eligible for the contract;
- (4) a contract with a publicly traded business entity, including a wholly owned subsidiary of the business entity;
- (5) a contract with an electric utility, as that term is defined by Section 31.002, Utilities Code; or
- (6) a contract with a gas utility, as that term is defined by Section 121.001, Utilities Code.

(d) A governmental entity or state agency may not enter into a contract described by Subsection (b) with a business entity unless the business entity, in accordance with this section and rules adopted under this section, submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency.

(e) The disclosure of interested parties must be submitted on a form prescribed by the Texas Ethics Commission that includes:

- (1) a list of each interested party for the contract of which the contracting business entity is aware; and
- (2) a written, unsworn declaration subscribed by the authorized agent of the contracting business entity as true under penalty of perjury that is in substantially the following form:

"My name is _____, my date of birth is _____, and my address is _____, _____, _____, _____, _____, _____, (Street) (City) (State) (Zip Code) _____"

_____. I declare under penalty of (Country) perjury that the foregoing is true and correct.

Executed in _____ County, State of _____, on the
_____ day of _____, _____.
(Month) (Year)

Declarant”.

- (f) Not later than the 30th day after the date the governmental entity or state agency receives a disclosure of interested parties required under this section, the governmental entity or state agency shall submit a copy of the disclosure to the Texas Ethics Commission.
- (g) The Texas Ethics Commission shall adopt rules necessary to implement this section, prescribe the disclosure of interested parties form, and post a copy of the form on the commission’s Internet website.