

## **Business Entity: Disclosure of Interested Parties Texas Government Code § 2252.908**

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.

The Texas Legislature adopted House Bill 1295 in 2015. HB 1295 added Section 2252.908 to the Government Code. Under this new law, any business entity that enters into a contract with Galveston County that requires the approval of the Commissioners Court must submit a "Disclosure of Interested Parties" to the County prior to the execution of the contract. This form, the "Disclosure of Interested Parties" form was promulgated by the Texas Ethics Commission, and is the "Form 1295".

The Texas Ethics Commission was also charged with promulgating 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, and 46.5 of Title 1 of the Texas Administrative Code.

The Texas Ethics Commission's website is: [www.ethics.state.tx.us](http://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](http://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm).

Each business entity must visit the Texas Ethics Commission, 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, then the business entity must print out the form and sign and notarize the form.

Once Form 1295 is signed and notarized, the business entity must submit the completed, signed, and notarized Form 1295 to the Galveston County Purchasing Agent. Please mail or deliver the completed, signed, and notarized Form 1295 to:

Galveston County Purchasing Agent  
722 Moody, 5<sup>th</sup> 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, signed, and notarized 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, signed, and notarized Form 1295.

We hope this summary information is helpful to you. However, this information 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 HB1295/Section 2252.908 requirements and/or to consult with their own counsel.

**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 goods or services to be provided under the contract.**

[fill in contract number on file in Purchasing Agent's Office here]

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, and 46.5 of Title 1 of the Texas Administrative Code, and the Texas Ethics Commission website			

**5 Check only if there is NO Interested Party.**

**6 AFFIDAVIT** I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.

Sign and notarize the form before submitting to Purchasing Agent's Office

\_\_\_\_\_  
 Signature of authorized agent of contracting business entity

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

**ADD ADDITIONAL PAGES AS NECESSARY**

**Tex. Gov't Code § 2252.908**

(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.

(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) the signature of the authorized agent of the contracting business entity, acknowledging that the disclosure is made under oath and under penalty of perjury.

(f) Not later than the 30<sup>th</sup> 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.