
GUIDELINES FOR FILING CONFLICTS DISCLOSURE STATEMENTS

(revised March 2016)

WHO: If required by Chapter 176 of the Texas Local Government Code, the following municipal officers must file conflicts disclosure statements:

1. Mayors and City Council Members;
2. City Manager;
3. Board and Commission members appointed by the Mayor or City Council members, including the Building Board of Appeals, Community Engagement Committee, Community Enhancement and Development Corporation (CEDC), Crime Control and Prevention District, Library Board, Parks and Recreation Board, Planning and Zoning Commission, Senior Advisory Committee, Southlake Arts Council, Southlake Parks Development Corporations (SPDC), Metroport Teen Court Advisory Board, and Board of Adjustment (ZBA);
4. Directors of 4A and 4B development corporations;
5. the executive directors or managers of 4A and 4B development corporations; and
6. City employees and agents who exercise discretion in the planning, recommending, selecting or contracting of a vendor.

WHAT: A municipal officer must sign under oath and file a conflicts disclosure statement (Form CIS). This form is available online at www.ethics.state.tx.us and a copy is attached to this Guideline. The form is fairly self-explanatory.

Question No. 3 of the form requires the municipal officer to disclose the name of any vendor with which the City is contracting or considering a contract if:

1. The officer has an employment or other business relationship with the vendor, or an employee or agent of the vendor, that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware of the contract or the consideration of a contract;
2. The officer or a family member of the officer has received one or more gifts from the vendor, or an agent or employee of the vendor, that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware of the contract or the consideration of a contract; or,
3. The officer has a family relationship with the vendor, or an agent or employee of the vendor.

Question No. 4 of the form requires the officer to describe the relationship with the vendor, or an agent or employee of the vendor, listed in Question 3.

Question No. 5 of the form requires the officer to list the gifts the officer or any family member received from a vendor, or an agent or employee of the vendor, if the aggregate value of the gifts accepted exceeds \$100 during the 12-month period preceding the date the officer becomes aware of a contract or the consideration of a contract. Note, political contributions defined by Title 15 of the Election Code or food accepted as a guest need not be disclosed.

An *Agent* means a third party who undertakes to transact some business or manage some affair for another person by the authority or on account of the other person.

A “*business relationship*” means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

1. a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local government entity;
2. a transaction conducted at a price and subject to terms available to the public; or
3. a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

If a local government officer or the officer’s family member has received income as a result of one of these types of business relationships, the officer does not have to file a conflicts disclosure statement.

A “*family member*” is a person related to the municipal officer within the first degree by consanguinity (blood) or affinity (marriage) which includes a spouse, father, mother, son, daughter, father-in-law, mother-in-law, and son-in-law, and stepson or step daughter. It does not include a child of a stepparent when the stepparent is divorced from the parent of the child.

A “*family relationship*” means a relationship between a person and another person within the third degree by consanguinity or the second degree by affinity. See attached chart for the relationships included within the third degree by consanguinity and the second degree by affinity.

A “*contract*” includes a purchase order, or a written agreement for a sale or purchase of goods, services, or an interest in real property.

If the income is investment income, the officer need not file a conflicts disclosure statement. “*Investment income*” means dividends, capital gains, or interest income generated from:

1. a personal or business:
 - a. checking or savings account;
 - b. share draft or share account; or
 - c. other similar account;
2. a personal or business investment; or

3. a personal or business loan.

A “*Gift*” is any benefit offered by a person, including food, lodging, transportation, and entertainment accepted as a guest. The term does not include a benefit offered on account of kinship or a personal, professional or business relationship independent of the official status of the recipient.

WHEN: The municipal officer must file the Form CIS not later than 5:00 p.m. on the seventh business day after the date on which the officer becomes aware that a vendor has contracted with the City or the City is considering doing business with the vendor.

WHERE: The local government officer must file the form with the City Secretary. ***The City Secretary is required by law to post the form on the City's website.***

ENFORCEMENT: The failure to file the required statement is a Class C misdemeanor if the contract amount is less than \$1 million or if there is no contract amount for the contract; a Class B misdemeanor if the contract amount is at least \$1 million but less than \$5 million; or a Class A misdemeanor if the contract amount is at least \$5 million.

LOCAL GOVERNMENT OFFICER CONFLICTS DISCLOSURE STATEMENT

FORM CIS

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

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

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 vendor described by Sections 176.001(7) and 176.003(a), Local Government Code

4 Description of the nature and extent of each employment or other business relationship and each family relationship with vendor named in item 3.

5 List gifts accepted by the local government officer and any family member, if aggregate value of the gifts accepted from vendor named in item 3 exceeds \$100 during the 12-month period described by Section 176.003(a)(2)(B).

Date Gift Accepted _____ Description of Gift _____

Date Gift Accepted _____ Description of Gift _____

Date Gift Accepted _____ Description of 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 each family member (as defined by Section 176.001(2), Local Government Code) of this local 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 the governing body of a local governmental entity; a director, superintendent, administrator, president, or other person designated as the executive officer of a local governmental entity; or an agent of a local governmental entity who exercises discretion in the planning, recommending, selecting, or contracting of a vendor. 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 misdemeanor.

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 the 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 vendor described by Sections 176.001(7) and 176.003(a), Local Government Code.** Enter the name of the vendor described by Section 176.001(7), Local Government Code, if the vendor: a) has an employment or other business relationship with the local government officer or a family member of the officer as described by Section 176.003(a)(2)(A), Local Government Code; b) has given to the local government officer or a family member of the officer one or more gifts as described by Section 176.003(a)(2)(B), Local Government Code; or c) has a family relationship with the local government officer as defined by Section 176.001(2-a), Local Government Code.
- 4. Description of the nature and extent of each employment or other business relationship and each family relationship with vendor named in item 3.** Describe the nature and extent of the employment or other business relationship the vendor has with the local government officer or a family member of the officer as described by Section 176.003(a)(2)(A), Local Government Code, and each family relationship the vendor has with the local government officer as defined by Section 176.001(2-a), Local Government Code.
- 5. List gifts accepted, if the aggregate value of the gifts accepted from vendor named in item 3 exceeds \$100.** List gifts accepted 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 vendor named in item 3 that in the aggregate exceed \$100 in value.
- 6. Affidavit.** Signature of local government officer.

Local Government Code § 176.001(2-a): "Family relationship" means a relationship between a person and another person within the third degree by consanguinity or the second degree by affinity, as those terms are defined by Subchapter B, Chapter 573, Government Code.

Local Government Code § 176.003(a)(2)(A):

- (a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

- (2) the vendor:

(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, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that:

- (i) a contract between the local governmental entity and vendor has been executed; or
- (ii) the local governmental entity is considering entering into a contract with the vendor.