

**Required Vendor
Disclosure**

The disclosure requirement applies to a person who is a vendor.
Local Gov't Code 176.002(a)

A person is not subject to the disclosure requirements if the person is a state, a political subdivision of a state, the federal government, or a foreign government; or an employee or agent of such an entity, acting in the employee's or agent's official capacity. *Local Gov't Code 176.002(b)*

A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

1. Has an employment or other business relationship with a local government officer of that local governmental entity, 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 a contract between the local governmental entity and vendor has been executed or the local governmental entity is considering entering into a contract with the vendor;
2. Has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that a contract between the local governmental entity and vendor has been executed or the local governmental entity is considering entering into a contract with the vendor, excluding any gift that is:
 - a. A political contribution as defined by Election Code Title 15; or
 - b. Food accepted as a guest; or
3. Has a family relationship with a local government officer of that local governmental entity.

A person who is both a local government officer and a vendor of a local governmental entity is required to file the vendor questionnaire required by Local Government Code 176.006(a)(1) only if the person:

1. Enters or seeks to enter into a contract with the local governmental entity; or
2. Is an agent of a person who enters or seeks to enter into a contract with the local governmental entity.

The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

1. The date that the vendor:
 - a. Begins discussions or negotiations to enter into a contract with the local governmental entity; or
 - b. Submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or
2. The date the vendor becomes aware:
 - a. Of an employment or other business relationship with a local government officer, or a family member of the officer;
 - b. That the vendor has given one or more gifts; or
 - c. Of a family relationship with a local government officer.

Local Gov't Code 176.003(a)(2), (a-1), .006(a)-(b), (e)

Definitions

Vendor

“Vendor” means a person who enters or seeks to enter into a contract with a local governmental entity. The term includes an agent of a vendor. The term includes an officer or employee of a state agency when that individual is acting in a private capacity to enter into a contract. The term does not include a state agency except for Texas Correctional Industries. *Local Gov't Code 176.001(7)*

Agent

“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. The term includes an employee. *Local Gov't Code 176.001(1)*

Business
Relationship

“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 governmental 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.

Local Gov't Code 176.001(1-a)

PURCHASING AND ACQUISITION
VENDOR RELATIONS

CFE
(LEGAL)

Family Member	“Family member” means a person related to another person within the first degree by consanguinity or affinity, as described by Government Code Chapter 573, Subchapter B. [See DBE(EXHIBIT)] <i>Local Gov’t Code 176.001(2)</i>
Family Relationship	“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. [See DBE(EXHIBIT)] <i>Local Gov’t Code 176.001(3)</i>
Records Administrator	“Records administrator” means the director, county clerk, municipal secretary, superintendent, or other person responsible for maintaining the records of the local governmental entity or another person designated by the local governmental entity to maintain statements and questionnaires filed under Local Government Code Chapter 176 and perform related functions. [See CIA] <i>Local Gov’t Code 176.001(5)</i>
Gift	“Gift” means a 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. <i>Local Gov’t Code 176.001(2-b)</i>
Investment Income	“Investment income” means dividends, capital gains, or interest income generated from: <ol style="list-style-type: none">1. A personal or business:<ol style="list-style-type: none">a. Checking or savings account;b. Share draft or share account; orc. Other similar account;2. A personal or business investment; or3. A personal or business loan. <i>Local Gov’t Code 176.001(2-d)</i>
Disclosure Form	The Texas Ethics Commission shall adopt a conflict of interest questionnaire that requires disclosure of a vendor’s business and family relationships with a local governmental entity. <i>Local Gov’t Code 176.006(b)</i>
Electronic Filing	The required questionnaire, including signature requirements, may be filed electronically in a form approved by the Commission. <i>Local Gov’t Code 176.008</i>

Updates A vendor shall file an updated completed questionnaire with the appropriate records administrator not later than the seventh business day after the date on which the vendor becomes aware of an event that would make a statement in the questionnaire incomplete or inaccurate. *Local Gov't Code 176.006(d)*

List of Local Government Officers The records administrator for a local governmental entity shall maintain a list of local government officers of the entity and shall make that list available to the public and any person who may be required to file a conflict of interest questionnaire. [See BBFA] *Local Gov't Code 176.0065*

Internet Posting A local governmental entity that maintains an internet website shall provide access to the conflict of interest questionnaires required to be filed under this policy on that website. *Local Gov't Code 176.009*

Contract Declared Void The governing body of a local governmental entity may, at its discretion, declare a contract void if the governing body determines that a vendor failed to file a conflict of interest questionnaire required by Local Government Code 176.006. *Local Gov't Code 176.013(e)*

Violations A vendor commits an offense under Local Government Code Chapter 176 if the vendor:

1. Is required to file a conflict of interest questionnaire under Local Government Code 176.006; and
2. Either:
 - a. Knowingly fails to file the required questionnaire with the appropriate records administrator not later than 5:00 p.m. on the seventh business day after the date on which the vendor becomes aware of the facts that require the filing of the questionnaire; or
 - b. Knowingly fails to file an updated questionnaire with the appropriate records administrator not later than 5:00 p.m. on the seventh business day after the date on which the vendor becomes aware of an event that would make a statement in a questionnaire previously filed by the vendor incomplete or inaccurate.

It is an exception to the application of the offense that the vendor filed the required questionnaire not later than the seventh business day after the date the vendor received notice from the local governmental entity of the alleged violation.

Local Gov't Code 176.013(b), (g)

Note: The [Conflict of Interest Questionnaire, Form CIQ](#),¹ is available on the Texas Ethics Commission website.

¹ Conflict of Interest Forms: <https://www.ethics.state.tx.us/forms/conflict/>