

## **Chapter 176 of the Texas Local Government Code FAQ**

Chapter 176 of the Texas Local Government Code requires vendors who wish to conduct business or be considered for business with the Center to file a "Conflict of Interest Questionnaire." The Texas Ethics Commission (TEC) created the Conflict of Interest Questionnaire (Form CIQ).

### **Who must complete and file a CIQ Form?**

Every vendor doing business with the Center or seeking to business with the Center must, at a minimum, complete Box 1 and sign and date Box 7 of the Form CIQ. Whether or not a conflict exists determines the other information to include on the form.

### **Who is a Vendor?**

The term "Vendor" means a person who enters or seeks to enter into a contract with a local government 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 does not include state agency except for Texas Correctional Industries. "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.

### **What triggers the requirements to file the Form CIQ?**

When a vendor (or an agent of the vendor) begins (1) contract discussions or negotiations with the Center or (2) submits an application, quote, response to request for proposals or bids, or anything else that could result in an agreement (contract or purchase order) with the Center, Form CIQ must be completed. Whether the vendor initiates the discussion or the Center initiates the discussions, Form CIQ must be completed. The monetary amount or value of the contract/purchase does not matter. The contract or purchase may involve the sale or purchase of property, goods, or services with the Heart of Texas Region MHMR.

### **When does a conflict requiring disclosure exist? What has to be revealed?**

A vendor shall file a completed Conflict of Interest Questionnaire if the vendor has a business relationship with the Center and the vendor: (1) has an employment or other business relationship with an officer of the Center, or a family member of an officer, that results in taxable income exceeding **\$2,500** during the 12 month period preceding the date a contract/purchase is executed or a contract/purchase is being considered; or (2) has given an officer of the Center, or a family member of an officer, one or more gifts with the aggregate value of more than **\$100** in the 12 month period preceding the date a contract/purchase is executed or a contract/purchase is being considered; or (3) has a family relationship with an officer of the Center.

### **What family relationships create a conflict?**

A "family member" is a person related to another person within the first degree by consanguinity (blood) or affinity (marriage), as described by Subchapter B, Chapter 573, Texas Government Code. The ending of a marriage by divorce or the death of a spouse ends relationships by affinity created by that marriage unless a child of that marriage is living, in which case the marriage is considered to continue as long as a child of that marriage lives. "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, Texas Government Code.

**What constitutes a “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.

**Who are Officers of the Center?**

Officers are the members of the Board of Directors, the Executive Director and any agent or employee of the Center who exercises discretion in the planning, recommending, selecting or contracting with a vendor. An agent may be a third party who assists the Center in making a decision on some contract or purchase.

**When must the vendor file the Conflict of Interest Questionnaire?**

No later than seven days after the date the vendor: (a) begins contract discussions or negotiations with the Center, or (b) submits an application or response to a request for proposals or bids, correspondence, or another writing related to a potential agreement with the Center, or (c) becomes aware of an employment or other business relationship with an officer or family member of the officer that the vendor (i) has made one or more gifts of more than \$100 or (ii) has a family relationship with.

**With whom should the Questionnaire be filed?**

The questionnaires will be filed with and maintained in the Center’s Contracts Department. Paper copies may be sent to Heart of Texas Region MHMR, P.O. Box 890, Waco, TX 76701-0890. Copies may be faxed to Attn: Contracts at (254) 752-7421. Emails will be accepted at [lane.gann@hotrmhmr.org](mailto:lane.gann@hotrmhmr.org).

***A name in box #1 and a signature in box #7 are required regardless of any other entry on the form.***

THE INFORMATION PROVIDED BY HOTRMHMR IS FOR INFORMATIONAL PURPOSES ONLY. IF YOU HAVE CONCERNS ABOUT WHETHER CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT APPLIES TO YOU OR THE MANNER IN WHICH YOU MUST COMPLY, YOU SHOULD CONSULT AN ATTORNEY. ANY INFORMATION YOU PROVIDE OR THAT IS PROVIDED BY A HOTRMHMR OFFICER CONCERNING YOU OR YOUR BUSINESS UNDER CHAPER 176 IS PUBLIC INFORMATION.