

# New Disclosure Requirements for Dealing with Public Entities

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## Disciplinary Rules of Professional Conduct

- ▶ Rule 1.01 Competent and Diligent Representation
- ▶ Comment 8 (“Maintaining Competence”):

Because of the vital role lawyers play in the legal process, each lawyer should strive to become and remain proficient in the practice of law.

## House Bill 1295

- ▶ Applies to a contract of a governmental entity or state agency that:
  - ▶ Requires an action or vote by the governing body of the entity or agency before the contract may be signed; or
  - ▶ Has a value of at least \$1 million.

## House Bill 1295

- ▶ A governmental entity may not enter into a covered contract with a business entity unless the business entity 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.

## House Bill 1295

- ▶ “Contract” includes an amended, extended, or renewed contract.
- ▶ A contract does not require a vote of the governing body if:
  - ▶ the governing body has the legal authority to delegate to its staff the authority to execute the contract;
  - ▶ the governing body has delegated authority to its staff; and
  - ▶ the governing body does not participate in the selection of the business entity with which the contract is entered.

## House Bill 1295

- ▶ “Governmental entity” means municipality, county, public school district, or special-purpose district or authority;
- ▶ “Business entity” means any entity recognized by law through which business is conducted, including a sole proprietorship, partnership, or corporation.
- ▶ “Interested party” means a person who has a controlling interest in a business entity with whom a governmental entity 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.

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20<sup>th</sup> Annual Land Use Conference session  
"Revolving Door and State Bar Rules"