

**ACKNOWLEDGEMENT OF INDIVIDUAL TRUSTEES OF THE
COMO-PICKTON INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES
OF CONFLICT OF INTEREST POLICY**

STATE OF TEXAS

§

COUNTY OF HOPKINS

§

§

On the 13th day of December, 2021, in a duly called and constituted public meeting of the Board of Trustees of the Como-Pickton Consolidated Independent School District, the Board of Trustees reviewed the Board’s Policies relating to Ethics and Conflict of Interest Disclosures, Como-Pickton Consolidated Independent School District Policies BBFA (LEGAL) and BBFA (LOCAL), attached hereto as **Exhibit A**.

The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Texas Government Code § 551. At the meeting, the Board of Trustees had a subsequent item on its agenda to establish and approve an application amendment fee, pursuant to Board Policy CCGB(LOCAL), in connection with an Application Amendment for Appraised Value Limitation on Qualified Property from Pine Forest Solar I, LLC, Comptroller Application #1425.

Prior to such consideration, and after reviewing the attached Ethics Policies BBFA (LEGAL) and BBFA (LOCAL), each of the following Board Members acknowledged and confirmed that he/she has reviewed the policy and has complied with all Conflict of Interest Policies:

Board Member	No Conflict	Disclosure Made	Absent
D.J. Carr	_____	_____	_____
Shiloh Childress	_____	_____	_____
Brittney Smith	_____	_____	_____
Cole Boseman	_____	_____	_____
Clif Carpenter	_____	_____	_____
Keith Monk	_____	_____	_____
Jim Murray	_____	_____	_____

The Secretary to the Board of Trustees shall cause this Acknowledgment to be entered into the minutes of this meeting of December 13, 2020.

Exhibit A

Note: For information regarding conflicts of interest and depository contracts, see BDAE.

Substantial Interest Affidavit

If a local public official has a substantial interest in a business entity or in real property, the local public official shall, before a vote or decision on any matter involving the business entity or the real property, file an affidavit stating the nature and extent of the interest if:

1. In the case of a substantial interest in a business entity, the action on the matter will have a special economic effect on the business entity that is distinguishable from the effect on the public; or
2. In the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.

The affidavit shall be filed with the official recordkeeper of the district.

Local Gov't Code 171.004(a)–(b)

Abstention

The local public official shall also abstain from further participation in the matter.

If a trustee is required to file and does file an affidavit, that trustee shall not be required to abstain from further participation in the matter or matters requiring such an affidavit if a majority of the trustees are likewise required to file and do file affidavits of similar interests on the same official action.

Local Gov't Code 171.004(a), (c)

Definitions

“Substantial Interest”

A person has a substantial interest in a business entity if any of the following is the case:

1. The person owns at least:
 - a. Ten percent of the voting stock or shares of the business entity, or
 - b. Either ten percent or \$15,000 of the fair market value of the business entity.
2. Funds received by the person from the business entity exceed ten percent of the person’s gross income for the previous year.

Local Gov't Code 171.002

ETHICS
CONFLICT OF INTEREST DISCLOSURES

BBFA
(LEGAL)

<i>"Business Entity"</i>	"Business entity" means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, or any other entity recognized by law. <i>Local Gov't Code 171.001(2)</i>
<i>"First-Degree Relatives"</i>	The local public official is considered to have a substantial interest if a person related in the first degree by either affinity or consanguinity to the local public official, as determined under Government Code Chapter 573, Subchapter B [see DBE], has a substantial interest as defined above. <i>Local Gov't Code 171.002</i>
<i>"Local Public Official"</i>	"Local public official" means a member of the governing body or another officer, whether elected, appointed, paid, or unpaid, of any district (including a school district), central appraisal district, or other local governmental entity who exercises responsibilities beyond those that are advisory in nature. <i>Local Gov't Code 171.001(1)</i>
<i>"Real Property"</i>	A person has a substantial interest in real property if the interest is an equitable or legal ownership with a fair market value of \$2,500 or more. <i>Local Gov't Code 171.002</i>
Contracts Permitted	A board may contract with a business entity in which a trustee has a substantial interest if the trustee follows the disclosure and abstention procedure set out above. <i>Atty. Gen. Op. JM-424 (1986)</i>
Separate Vote on Budget	A board shall take a separate vote on any budget item specifically dedicated to a contract with a business entity in which a trustee has a substantial interest. The affected trustee shall not participate in that separate vote, but may vote on a final budget if he or she filed the affidavit and the matter in which he or she is concerned has been resolved. <i>Local Gov't Code 171.005</i>
Depository Bank	A school board member with a "substantial interest" in a depository bank must file an affidavit stating his interest and must abstain from participating in decisions on loan contracts with the depository if action on the matter will have a special economic effect on the bank that is distinguishable from the effect on the public. <i>Atty. Gen. Op. JM-1082 (1989) [See BDAE]</i>
Violations	A local public official commits an offense if the official knowingly: <ol style="list-style-type: none">1. Violates Local Government Code 171.004.2. Acts as surety for a business entity that has a contract, work, or business with a district.3. Act as surety on any official bond required of an officer of a district. <p><i>Local Gov't Code 171.003</i></p>

Voidable Actions The finding by a court of a violation of Local Government Code Chapter 171 does not render an action of the board voidable unless the measure that was the subject of an action involving a conflict of interest would not have passed without the vote of the person who violated the chapter. *Local Gov't Code 171.006*

Conflicts Disclosure Statement A local government officer shall file a conflicts disclosure statement, as adopted by the Texas Ethics Commission, with respect to a vendor if the vendor enters into a contract with the district or the district is considering entering into a contract with the vendor; and the vendor:

1. Has an employment or other business relationship with the local government officer or a family member of the officer, and the business relationship 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. A contract between the district and the vendor has been executed; or
 - b. The district is considering entering into a contract with the vendor;
2. Has given to the local government officer or a family member of the officer one or more gifts, and the gift or gifts have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that:
 - a. A contract between the district and the vendor has been executed; or
 - b. The district is considering entering into a contract with the vendor; or
3. Has a family relationship with the local government officer.

Gifts—Exception A local government officer is not required to file a conflicts disclosure statement in relation to a gift, as defined by law, accepted by the officer or a family member of the officer if the gift is:

1. A political contribution as defined by Title 15, Election Code; or
2. Food accepted as a guest.

Local Gov't Code 176.003(a)-(a-1)

Filing Date A local government officer shall file the conflicts disclosure statement with the records administrator of a district not later than 5:00 p.m. on the seventh business day after the date on which the

	<p>officer becomes aware of the facts that require the filing of the statement. <i>Local Gov't Code 176.003(b)</i></p>
Vendor Questionnaire	<p>A person who is both a local government officer and a vendor of a local governmental entity is required to file a vendor questionnaire if the person enters or seeks to enter into a contract with the local governmental entity; or is an agent of a person who enters or seeks to enter into a contract with the local governmental entity. [See CHE] <i>Local Gov't Code 176.006(e)</i></p>
Definitions	
"Agent"	<p>"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. <i>Local Gov't Code 176.001(1)</i></p>
"Business Relationship"	<p>"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:</p> <ol style="list-style-type: none">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; or3. 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. <p><i>Local Gov't Code 176.001(a-1)</i></p>
"Family Member"	<p>"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] <i>Local Gov't Code 176.001(2)</i></p>
"Family Relationship"	<p>"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 Government Code Chapter 573, Subchapter B. [See DBE] <i>Local Gov't Code 176.001(2-a)</i></p>
"Gift"	<p>"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></p>

ETHICS
CONFLICT OF INTEREST DISCLOSURES

BBFA
(LEGAL)

*“Investment
Income”*

“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.

Local Gov’t Code 176.001(2-d)

*“Local
Government
Officer”*

“Local government officer” means a member of the board, the superintendent, or an agent (including an employee) of the district who exercises discretion in the planning, recommending, selecting, or contracting of a vendor. *Local Gov’t Code 176.001(4)*

*“Records
Administrator”*

“Records administrator” means the director, superintendent, or other person responsible for maintaining the records of a district or another person designated by the district to maintain statements and questionnaires filed under Local Government Code 176 and perform related functions. *Local Gov’t Code 176.001(5)* [See CPC]

“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)*

Duties of Records
Administrator

A records administrator shall:

1. Maintain a list of local government officers of the district and shall make that list available to the public and any vendor who may be required to file a conflict of interest questionnaire under Local Government Code 176.006; and
2. Maintain the statements and questionnaires that are required to be filed under Government Code Chapter 176 in accordance with the district’s records retention schedule. [See CPC]

Local Gov’t Code 176.0065

Internet Posting

A district that maintains an internet website shall provide access on the district’s internet website to the conflicts disclosure statements and questionnaires required to be filed with the records administrator. *Local Gov’t Code 176.009*

Violations

A local government officer commits an offense if the officer is required to file a conflicts disclosure statement and knowingly fails to file the required conflicts disclosure statement with the appropriate records administrator 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 the statement. It is an exception to the application of the penalty that the local government officer filed the required conflicts disclosure statement not later than the seventh business day after receiving notice from the district of the alleged violation.

A board may reprimand, suspend, or terminate the employment of an employee who knowingly fails to comply with a requirement adopted under Local Government Code 176. [See DF series]

A board may, at its discretion, declare a contract void if the board 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

**Affidavit Disclosing
Interest in Property**

If a public servant has a legal or equitable interest in any property that is to be acquired with public funds, and has actual notice of the acquisition or intended acquisition of the property, the public servant shall file an affidavit as follows:

1. The affidavit shall be filed with the county clerk(s) of the county or counties in which the property is located and of the county in which the public servant resides within ten days before the date on which the property is to be acquired by purchase or condemnation.
2. The affidavit must:
 - a. State the name of the public servant and the public office title or job designation held or sought.
 - b. Fully describe the property.
 - c. Fully describe the nature, type, and amount of interest in the property, including the percentage of ownership interest and the date the interest was acquired.
 - d. Include a verification of the truth of the information in the affidavit.
 - e. Include an acknowledgment of the same type required for recording a deed in the deed records of a county.

Gov't Code 553.002

ETHICS
CONFLICT OF INTEREST DISCLOSURES

BBFA
(LEGAL)

“Public Servant”—
Government Code

“Public servant” means a person who is elected, appointed, employed, or designated, even if not yet qualified for or having assumed the duties of office, as:

1. A candidate for nomination or election to public office, or
2. An officer of government.

Gov’t Code 553.001

Violations

A public servant who fails to file the affidavit when required is presumed to have the intent to commit an offense. An offense under this section is a Class A misdemeanor. *Gov’t Code 553.003*

**Annual Financial
Management Report**

A district’s annual financial management report shall include summary schedules of expenditures paid on behalf of each board member, reimbursements received by each board member, gifts with a total value over \$250 received by board members from certain vendors, and amounts received by board members for business transactions with the district. [See CFA] *Education Code 39.083; 19 TAC 109.1001(q)*

**Trustee Financial
Statement**

A board by resolution adopted by majority vote may require each member of the board to file the financial statement required of state officers under Subchapter B, Chapter 572, Government Code, with the board and the Texas Ethics Commission.

Not later than the 15th day after the date a board adopts this resolution, the board shall deliver a certified copy of the resolution to the Texas Ethics Commission. A resolution applies beginning on January 1 of the second year following the year in which the resolution is adopted. A member of a board that has adopted a resolution is not required to include, in a financial disclosure statement, financial activity occurring before January 1 of the year following the year in which the resolution is adopted.

The commissioner of education (“commissioner”) by order shall require the members of a board to file the financial statement required of state officers under Subchapter B, Chapter 572, Government Code, in the same manner as the members of the board that have adopted a resolution if the commissioner determines that:

1. A board member has failed to comply with filing and recusal requirements applicable to the member under Chapter 171, Local Government Code;
2. District financial accounting practices are not adequate to safeguard state and district funds; or
3. A district has not met a standard set by the commissioner in the financial accountability rating system.

The commissioner may require the filing of financial statements covering not more than three fiscal years and beginning on January 1 of the second year following the date of the commissioner's order. A member of a board subject to an order issued by the commissioner is not required to include, in a financial disclosure statement, financial activity occurring before January 1 of the year following the year in which the order is issued. The commissioner may renew the requirement if the commissioner determines that a condition described above continues to exist.

Education Code 11.064

Electronic Filing A financial statement filed with the Ethics Commission must be filed by computer diskette, modem, or other means of electronic transfer, using computer software provided by the commission or computer software that meets commission specifications for a standard file format. An individual who was appointed to office may file the financial statement by certified mail in compliance with Government Code 572.029. *Gov't Code 572.0291*

Confidentiality Electronic report or financial statement data saved in an Ethics Commission temporary storage location for later retrieval and editing before the report or financial statement is filed is confidential and may not be disclosed. After the report or financial statement is filed with the Ethics Commission, the information disclosed in the filed report or financial statement is public information to the extent provided by the law requiring the filing of the report or financial statement. *Gov't Code 571.0671(d)*

Violations A trustee serving in a school district that has adopted a resolution or that is subject to an order issued by the commissioner commits an offense if the trustee fails to file the statement required by the resolution or order. An offense under this section is a Class B misdemeanor. *Education Code 11.064(c)*

Note: See also CBB for conflict of interest requirements when federal funds are involved.

Private Corporation It is lawful for a local public official to serve as a member of the board of directors of private, nonprofit corporations when such officials receive no compensation or other remuneration from the nonprofit corporation or other nonprofit entity. *Local Gov't Code 171.009*

Each Board member shall provide to the District in a timely manner information necessary for the District's annual financial management report. [See CFA]