

Frequently Asked Questions For Disclosure of Interested Parties (Form 1295)

1. Who is required to file Form 1295?

In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties (Form 1295) to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The Texas Ethics Commission has adopted rules requiring the business entity to file Form 1295 electronically with the Commission.

2. What contracts does Form 1295 apply to?

The law applies only to a contract of a governmental entity or state agency that either:

- (1) requires an action or vote by the governing body of the entity or agency before the contract may be signed; or
- (2) has a value of at least \$1 million.

Gov't Code § 2252.908. The disclosure requirement applies to a contract entered into on or after January 1, 2016.

A contract does not require an action or vote by the governing body of a governmental entity or state agency if:

- (1) the governing body has legal authority to delegate to its staff the authority to execute the contract;
- (2) the governing body has delegated to its staff the authority to execute the contract; and
- (3) the governing body does not participate in the selection of the business entity with which the contract is entered into.

1 T.A.C. § 46.1(c).

3. Can I file Form 1295 on paper?

No. A business entity must file Form 1295 electronically with the Texas Ethics Commission using the [online filing application](#). See Question #4 for information about logging in to the online filing application.

4. How do I login to the filing application?

If this is your first time logging in, you will need to create an account in order to register and receive a password. Once you have registered, you will receive an email containing a password setup link. Click on the link to set your password. After you have established an account, you will use your email address, password, and user type (either "Business Entity"

or “Governmental Entity/State Agency”) to log in to the [filing application](#). Watch our short videos on “*Logging In The First Time*” on the [Form 1295 File Reports Electronically](#) web page.

5. Is there a mobile version?

The mobile version is not complete at this time, but will be available soon.

6. Help! I can't log in!

The Email (User ID) is case sensitive. If you cannot remember the correct case of your email, you will need to call the Texas Ethics Commission at 512-463-5800.

If you forgot your password, see Question #7 below.

7. Help! I forgot my password!

If you forgot your password, you can reset your password by clicking the “Forgot Password?” link on the [filing application](#) login screen. Once you enter your email address (case sensitive) and filer type and successfully answer the security questions, you will receive an email containing a password reset link. If you cannot successfully answer your security questions, you will need to call the Texas Ethics Commission at 512-463-5800.

8. Can I have multiple accounts?

You can have a separate account associated with each unique email address. However, once an account is established, there is no way to combine it with another account. You can only view those certificates created under your own unique email address. If you want to view all your certificates together in one account, we highly encourage you to setup a specific email address to register your account and use that email address each time you login to the filing application.

9. How much time do I have to acknowledge a Form 1295?

A state agency or other governmental entity must acknowledge the receipt of the filed Form 1295 not later than the 30th day after the date the contract binds all parties to the contract. Once a Form 1295 is acknowledged, it will be posted to the Texas Ethics Commission’s website within seven business days.

10. Do I send a copy of the notarized Form 1295 to the Texas Ethics Commission?

No. Do not send a paper copy of the notarized Form 1295 to the Texas Ethics Commission. If you are with a state agency or other governmental entity, you will login to the [filing application](#) and acknowledge receipt of Form 1295 electronically. See Question #4 for more information about logging into the [filing application](#).

11. What if I accidentally acknowledge the wrong Form 1295?

Before you acknowledge a Form 1295, you should double check that you are acknowledging the correct one. If you acknowledge a Form 1295 in error, you cannot undo the certification. Contact the Texas Ethics Commission at 512-463-5800 and ask to speak with Technical Support.

12. The filing application says this Form 1295 has already been acknowledged. What do I do now?

First, you should double check that you are entering the correct certification number. If you still receive an error, contact the Texas Ethics Commission at 512-463-5800 and ask to speak to technical support.

13. Who qualifies as an "Interested Party" for purposes of answering Question 4 on Form 1295?

An **interested party** is: “(1) a person who has a controlling interest in a business entity with whom a governmental entity or state agency contracts; or (2) a person who actively participates in facilitating a contract or negotiating the terms of a contract with a governmental entity or state agency, including a broker, intermediary, adviser, or attorney for the business entity.”

(1) A **controlling interest** means: “(1) an ownership interest or participating interest in a business entity by virtue of units, percentage, shares, stock, or otherwise that exceeds 10 percent; (2) membership on the board of directors or other governing body of a business entity of which the board or other governing body is composed of not more than 10 members; or (3) service as an officer of a business entity that has four or fewer officers, or service as one of the four officers most highly compensated by a business entity that has more than four officers.”

(2) An **intermediary** means: “a person who actively participates in the facilitation of the contract or negotiating the contract, including a broker, adviser, attorney, or representative of or agent for the business entity who: (1) receives compensation from the business entity for the person's participation; (2) communicates directly with the governmental entity or state agency on behalf of the business entity regarding the contract; and (3) is not an employee of the business entity.”

The definitions are located here:

https://www.ethics.state.tx.us/rules/adopted_Nov_2015.html#Ch46.3.

14. I still am not sure if anyone in my company qualifies as a controlling interest or intermediary. Can you give me some examples?

For example, Joe is filling out a Form 1295 for his company's contract with a governmental entity. Joe owns 50% of the company and his wife, Jane, owns 50% of the company. They have no officers or board members. Joe would list both his name and his wife's name as controlling interests.

Joe also hired a lawyer to help facilitate his company's contract with the governmental entity. Joe paid the lawyer a fee, the lawyer contacted the governmental entity, and the lawyer is not Joe's employee. Joe would list the lawyer as an intermediary.

15. I submitted a Form 1295 and realized there is an error. Can I still edit it?

No. Once a Form 1295 has been submitted by the business entity, it can no longer be edited. If you found an error, you will need to start a new certificate and re-enter all the required information.

16. How do I correct an error in a 1295 certificate after it has been acknowledged?

It is not possible to correct a submitted and acknowledged 1295 certificate. If you find that the acknowledged 1295 certificate has an error, you need to create a new certificate. This new certificate must include all of the required information from the original certificate plus the changes to correct the error. In Box 3, enter this string at the very beginning of the description field:

“This supercedes certificate 2016-####.”

where 2016-#### is the certificate number in the “OFFICE USE ONLY” box on the certificate that contains the error.

When you have completed the data entry for the replacement certificate, submit the certificate. Print, sign, and notarize the new certificate and provide the notarized certificate to your government entity or state agency to acknowledge using the 1295 filing application.

Both the original certificate and the replacement certificate will be available on the TEC website.

17. What if the contract associated with the Form 1295 is never fulfilled?

All certificates that are filed with the Texas Ethics Commission and acknowledged by a governmental entity will be posted to the Commission’s website regardless of the eventual outcome of the contract associated with the certificate.

18. Why am I not receiving email messages from the Texas Ethics Commission?

All password reset links will be sent to the email address you provided when you registered. This should be an email address that is current and that you check often. You can verify and update your email address right after you log in. Also, be sure to “whitelist” or mark as “safe” emails that come from “do-not-reply@ethics.state.tx.us” and be sure to check your Spam or Junk folder for any missing messages.