

1-1 By: Johnson of Dallas (Senate Sponsor - Hughes) H.B. No. 4053  
 1-2 (In the Senate - Received from the House May 3, 2023;  
 1-3 May 5, 2023, read first time and referred to Committee on State  
 1-4 Affairs; May 19, 2023, reported favorably by the following vote:  
 1-5 Yeas 8, Nays 1; May 19, 2023, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Hughes	X			
1-8 Paxton	X			
1-9 Bettencourt	X			
1-10 Birdwell			X	
1-11 LaMantia	X			
1-12 Menéndez	X			
1-13 Middleton		X		
1-14 Parker	X			
1-15 Perry	X			
1-16 Schwertner	X			
1-17 Zaffirini			X	

1-19 A BILL TO BE ENTITLED  
 1-20 AN ACT

1-21 relating to the contents of the personal financial statement filed  
 1-22 by public officers and candidates.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Section 572.022(c), Government Code, is amended  
 1-25 to read as follows:

1-26 (c) The individual filing the statement shall report a  
 1-27 description of real property by reporting:

1-28 (1) the street address, if available, or the number of  
 1-29 lots or number of acres, as applicable, in each county, and the name  
 1-30 of the county, if the street address is not available; and

1-31 (2) the names of all persons retaining an interest in  
 1-32 the property, excluding:

1-33 (A) an interest that is a severed mineral  
 1-34 interest; and

1-35 (B) the name of a person with an interest in the  
 1-36 property that holds a mortgage on the property that is otherwise  
 1-37 required to be reported in the statement.

1-38 SECTION 2. Section 572.023, Government Code, is amended by  
 1-39 amending Subsection (b) and adding Subsections (b-1), (h), (i), and  
 1-40 (j) to read as follows:

1-41 (b) The account of financial activity consists of:

1-42 (1) a list of all sources of occupational income,  
 1-43 identified by employer, or if self-employed, by the nature of the  
 1-44 occupation, including identification of a person or other  
 1-45 organization from which the individual or a business in which the  
 1-46 individual has a substantial interest received a fee as a retainer  
 1-47 for a claim on future services in case of need, as distinguished  
 1-48 from a fee for services on a matter specified at the time of  
 1-49 contracting for or receiving the fee, if professional or  
 1-50 occupational services are not actually performed during the  
 1-51 reporting period equal to or in excess of the amount of the  
 1-52 retainer [~~and the category of the amount of the fee~~];

1-53 (2) identification by name and the category of the  
 1-54 value [~~number~~] of shares of stock of any business entity held or  
 1-55 acquired, except as provided by Subsection (j) [~~and if sold, the~~  
 1-56 ~~category of the amount of net gain or loss realized from the sale~~];

1-57 (3) a list of all bonds, notes, and other commercial  
 1-58 paper held or acquired, except as provided by Subsection (j) [~~and~~  
 1-59 ~~if sold, the category of the amount of net gain or loss realized~~  
 1-60 ~~from the sale~~];

1-61 (4) identification of each source and the category of

2-1 the amount of income in excess of \$500 derived from each source from  
2-2 interest, dividends, royalties, and rents;

2-3 (5) identification of each guarantor of a loan and  
2-4 identification of each person or financial institution to whom a  
2-5 personal note or notes or lease agreement for a total financial  
2-6 liability in excess of \$1,000 existed at any time during the year  
2-7 and the category of the amount of the liability;

2-8 (6) identification by description of all beneficial  
2-9 interests in real property and business entities held or acquired~~[-~~  
2-10 ~~and if sold, the category of the amount of the net gain or loss~~  
2-11 ~~realized from the sale];~~

2-12 (7) identification of a person or other organization  
2-13 from which the individual or the individual's spouse or dependent  
2-14 children received a gift of anything of value in excess of \$250 and  
2-15 a description of each gift, except:

2-16 (A) a gift received from an individual related to  
2-17 the individual at any time within the second degree by  
2-18 consanguinity or affinity, as determined under Subchapter B,  
2-19 Chapter 573;

2-20 (B) a political contribution that was reported as  
2-21 required by Chapter 254, Election Code; and

2-22 (C) an expenditure required to be reported by a  
2-23 person required to be registered under Chapter 305;

2-24 (8) identification of the source and the category of  
2-25 the amount of all income received as beneficiary of a trust, other  
2-26 than a blind trust that complies with Subsection (c), and  
2-27 identification of each trust asset, if known to the beneficiary,  
2-28 from which income was received by the beneficiary in excess of \$500;

2-29 (9) identification~~[-~~

2-30 ~~[(A) by description of a corporation, firm,~~  
2-31 ~~partnership, limited partnership, limited liability partnership,~~  
2-32 ~~professional corporation, professional association, joint venture,~~  
2-33 ~~or other business association in which five percent or more of the~~  
2-34 ~~outstanding ownership was held, acquired, or sold; and~~

2-35 ~~[(B)]~~ by description and the category of the  
2-36 amount of all assets and liabilities of a corporation, firm,  
2-37 partnership, limited partnership, limited liability partnership,  
2-38 professional corporation, professional association, joint venture,  
2-39 or other business association in which 50 percent or more of the  
2-40 outstanding ownership was held, acquired, or sold;

2-41 (10) a list of all boards of directors of which the  
2-42 individual is a member and from which the individual receives  
2-43 compensation and executive positions, only if the executive  
2-44 position held is president, vice president, secretary, treasurer,  
2-45 or chairman, that the individual holds in corporations, firms,  
2-46 partnerships, limited partnerships, limited liability  
2-47 partnerships, professional corporations, professional  
2-48 associations, joint ventures, or other business associations or  
2-49 proprietorships, stating the name of each corporation, firm,  
2-50 partnership, limited partnership, limited liability partnership,  
2-51 professional corporation, professional association, joint venture,  
2-52 or other business association or proprietorship and the position  
2-53 held;

2-54 (11) identification of any person providing  
2-55 transportation, meals, or lodging expenses permitted under Section  
2-56 36.07(b), Penal Code, and the amount of those expenses, other than  
2-57 expenditures required to be reported under Chapter 305;

2-58 (12) any corporation, firm, partnership, limited  
2-59 partnership, limited liability partnership, professional  
2-60 corporation, professional association, joint venture, or other  
2-61 business association, excluding a publicly held corporation, in  
2-62 which both the individual and a person registered under Chapter 305  
2-63 have an interest;

2-64 (13) identification by name and the category of the  
2-65 value [number] of shares of any mutual fund held or acquired, except  
2-66 as provided by Subsection (j)~~[-~~ and if sold, the category of the  
2-67 amount of net gain or loss realized from the sale];

2-68 (14) identification of each blind trust that complies  
2-69 with Subsection (c), including:

3-1 (A) [~~the category of the fair market value of the~~  
3-2 ~~trust,~~  
3-3 [~~(B)~~] the date the trust was created;  
3-4 (B) [~~(C)~~] the name and address of the trustee;  
3-5 and  
3-6 (C) [~~(D)~~] a statement signed by the trustee,  
3-7 under penalty of perjury, stating that:  
3-8 (i) the trustee has not revealed any  
3-9 information to the individual, except information that may be  
3-10 disclosed under Subdivision (8); and  
3-11 (ii) to the best of the trustee's knowledge,  
3-12 the trust complies with this section;  
3-13 (15) if the aggregate cost of goods or services sold  
3-14 under one or more written contracts described by this subdivision  
3-15 exceeds \$10,000 in the year covered by the report, identification  
3-16 of each written contract, including the name of each party to the  
3-17 contract:  
3-18 (A) for the sale of goods or services in the  
3-19 amount of \$2,500 or more;  
3-20 (B) to which the individual, the individual's  
3-21 spouse, the individual's dependent child, or any business entity of  
3-22 which the individual, the individual's spouse, or the individual's  
3-23 dependent child, independently or in conjunction with one or more  
3-24 persons described by this subsection, has at least a 50 percent  
3-25 ownership interest is a party; and  
3-26 (C) with:  
3-27 (i) a governmental entity; or  
3-28 (ii) a person who contracts with a  
3-29 governmental entity, if the individual or entity described by  
3-30 Paragraph (B) performs work arising out of the contract,  
3-31 subcontract, or agreement between the person and the governmental  
3-32 entity for a fee; and  
3-33 (16) if the individual is a member of the legislature  
3-34 and provides bond counsel services to an issuer, as defined by  
3-35 Section 1201.002(1), identification of the following for each  
3-36 issuance for which the individual served as bond counsel:  
3-37 (A) the amount of the issuance;  
3-38 (B) the name of the issuer;  
3-39 (C) the date of the issuance;  
3-40 (D) the amount of fees paid to the individual,  
3-41 and whether the amount is:  
3-42 (i) less than \$5,000;  
3-43 (ii) at least \$5,000 but less than \$10,000;  
3-44 (iii) at least \$10,000 but less than  
3-45 \$25,000; or  
3-46 (iv) \$25,000 or more; and  
3-47 (E) the amount of fees paid to the individual's  
3-48 firm, if applicable, and whether the amount is:  
3-49 (i) less than \$5,000;  
3-50 (ii) at least \$5,000 but less than \$10,000;  
3-51 (iii) at least \$10,000 but less than  
3-52 \$25,000; or  
3-53 (iv) \$25,000 or more.

3-54 (b-1) Notwithstanding Section 572.022 and for the purpose  
3-55 of reporting an amount in a financial statement by category under  
3-56 Subsection (b), an individual required to file the statement shall  
3-57 report whether the amount is:  
3-58 (1) less than \$25,000; or  
3-59 (2) \$25,000 or more.

3-60 (h) For purposes of Subsection (b)(9):  
3-61 (1) "Asset" means a separate business entity, cash, or  
3-62 real and personal property.  
3-63 (2) "Liability" means a note, line of credit, lien, or  
3-64 corporate lease.  
3-65 (i) In prescribing the form and reporting requirements for a  
3-66 financial statement filed under this chapter, the commission shall  
3-67 ensure redundancies in reporting are reduced by combining, as  
3-68 appropriate, reporting categories and limiting the need to report  
3-69 information multiple times.

4-1 (j) For purposes of Subsections (b)(2), (3), and (13), an  
4-2 individual whose financial activity described by those  
4-3 subdivisions is managed by a disinterested third party is not  
4-4 required to report that information if the individual submits with  
4-5 the financial statement a sworn statement that:

4-6 (1) includes the name and address of the third party;  
4-7 and

4-8 (2) is signed by the third party under penalty of  
4-9 perjury affirming that the third party manages the relevant assets  
4-10 without the individual's input as to holding or acquiring specific  
4-11 assets.

4-12 SECTION 3. Section 572.024, Government Code, is amended to  
4-13 read as follows:

4-14 Sec. 572.024. INFORMATION ABOUT SERVICES FOR LOBBYISTS OR  
4-15 LOBBYIST EMPLOYERS. A state officer who receives a fee for services  
4-16 rendered by the officer to or on behalf of a person required to be  
4-17 registered under Chapter 305, or to or on behalf of a person or  
4-18 entity that the officer actually knows directly compensates or  
4-19 reimburses a person required to be registered under Chapter 305,  
4-20 shall report on the financial statement:

4-21 (1) the name of each person or entity for which the  
4-22 services were rendered; and

4-23 (2) whether the [~~category of the~~] amount of each fee  
4-24 is:

4-25 (A) less than \$25,000; or

4-26 (B) \$25,000 or more.

4-27 SECTION 4. Section 572.025, Government Code, is amended to  
4-28 read as follows:

4-29 Sec. 572.025. INFORMATION ABOUT LEGISLATORS'  
4-30 REPRESENTATION BEFORE EXECUTIVE STATE AGENCIES. A member of the  
4-31 legislature who represents another person for compensation before  
4-32 an executive state agency shall report on the financial statement:

4-33 (1) the name of the agency;

4-34 (2) the person represented by the member; and

4-35 (3) whether the [~~category of the~~] amount of  
4-36 compensation received by the member for that representation is:

4-37 (A) less than \$25,000; or

4-38 (B) \$25,000 or more.

4-39 SECTION 5. Section 572.022(b), Government Code, is  
4-40 repealed.

4-41 SECTION 6. The changes in law made by this Act apply only to  
4-42 a financial statement filed under Subchapter B, Chapter 572,  
4-43 Government Code, on or after the effective date of this Act. A  
4-44 financial statement filed before the effective date of this Act is  
4-45 governed by the law in effect on the date of filing, and the former  
4-46 law is continued in effect for that purpose.

4-47 SECTION 7. This Act takes effect September 1, 2023.

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