

Amend CSHB 2842 by striking all below the enacting clause and substituting the following:

SECTION 1. Subchapter D, Chapter 32, Penal Code, is amended by adding Section 32.52 to read as follows:

Sec. 32.52. PROVIDING FALSE INFORMATION TO AN INDEPENDENT PUBLIC ACCOUNTANT OR ACCOUNTING FIRM. (a) In this section:

(1) "Financial institution" means a bank, savings association, savings bank, or credit union maintaining an office, branch, or agency office in this state.

(2) "Insurer" means a person who engages in the business of insurance in this state, including:

(A) an insurer that is not authorized to do business in this state; and

(B) a person described by Section 82.002(a), Insurance Code.

(3) "Issuer" has the meaning assigned by 15 U.S.C. Section 7201.

(4) "Public interest entity" means:

(A) a financial institution;

(B) an insurer;

(C) an issuer;

(D) a county hospital;

(E) a pension or retirement plan;

(F) a school district;

(G) a municipality;

(H) a county; or

(I) an institution of higher education.

(b) An officer or director of a public interest entity, or another person designated by the officer or director to provide information to an independent public accountant or accounting firm, commits an offense if, for the purpose of rendering financial statements of the public interest entity materially misleading, the person intentionally or knowingly:

(1) influences, coerces, manipulates, or misleads the independent public accountant or accounting firm engaged in the performance of an audit of the financial statements of the public interest entity; or

(2) communicates or causes to be communicated information to the independent public accountant or accounting firm that the person knew was false at the time the information was communicated.

(c) An offense under this section is a:

(1) state jail felony if it is shown on the trial of the offense that the violation resulted in a monetary loss of less than \$10,000 or did not result in a monetary loss;

(2) felony of the third degree if it is shown on the trial of the offense that the violation resulted in a monetary loss of at least \$10,000 but less than \$100,000;

(3) felony of the second degree if it is shown on the trial of the offense that the violation resulted in a monetary loss of at least \$100,000 but less than \$1 million; or

(4) felony of the first degree if it is shown on the trial of the offense that the violation resulted in a monetary loss of at least \$1 million.

SECTION 2. This Act takes effect September 1, 2005.