

By: Patrick

H.B. No. 3472

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the ethics and financial disclosure requirements of
3 members of the governing board, officers, and employees of certain
4 public retirement systems and officers and employees of a nonprofit
5 corporation for investment of the permanent university fund.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 SECTION 1. Section 66.08, Education Code, is amended by
8 adding Subsections (p), (q), and (r) to read as follows:

9 (p) A director or officer of the corporation required to
10 file a personal financial statement under Subchapter B, Chapter
11 572, Government Code, must file a copy of the financial statement
12 that is filed with the Texas Ethics Commission with a person
13 designated by the board of directors. The designated person shall
14 review each statement to identify any potential conflicts of
15 interest and shall report to the board of directors any conflicts of
16 interest identified.

17 (q) Each employee of the corporation who exercises
18 significant decision-making or fiduciary authority, as determined
19 by the board of directors, shall file financial disclosure
20 statements with a person designated by the board of directors. The
21 content of a financial disclosure statement must comply
22 substantially with the requirements of Subchapter B, Chapter 572,
23 Government Code. A statement must be filed not later than the 30th
24 day after the date a person is employed in a significant

1 decision-making or fiduciary position and annually after
2 employment not later than April 30. The filing deadline may be
3 postponed by the board of directors for not more than 60 days on
4 written request or for an additional period for good cause, as
5 determined by the board of directors. The designated person shall
6 review each statement to identify any potential conflicts of
7 interest and shall report to the board of directors any conflicts of
8 interest identified. The corporation shall maintain a financial
9 disclosure statement for at least five years after the date of its
10 filing.

11 (r) An employee required to file a financial disclosure
12 statement under Subsection (q) must annually file a signed
13 statement that the employee has disclosed any outside employment
14 activity or business activity and that the employee has received
15 approval from the board of directors for the employment or business
16 activity.

17 SECTION 2. Subchapter A, Chapter 572, Government Code, is
18 amended by adding Section 572.009 to read as follows:

19 Sec. 572.009. APPLICABILITY TO NONPROFIT INVESTMENT
20 CORPORATION FOR PERMANENT UNIVERSITY FUND. (a) A provision of this
21 chapter that applies to a state agency applies to a nonprofit
22 corporation under contract with the board of regents of The
23 University of Texas System under Section 66.08, Education Code, to
24 invest the funds of the permanent university fund on behalf of the
25 board of regents.

26 (b) A provision of this chapter that applies to an appointed
27 officer of a major state agency applies to a member of the board of

1 directors of a nonprofit corporation described by Subsection (a).

2 SECTION 3. Section 815.213, Government Code, is amended to
3 read as follows:

4 Sec. 815.213. ETHICS AND DISCLOSURE REQUIREMENTS. (a) The
5 board of trustees shall adopt an investment policy that includes a
6 code of ethics. The code of ethics must contain standards of
7 ethical conduct and disclosure requirements applicable to the
8 members of the board of trustees and employees of the retirement
9 system in the administration of this subtitle.

10 (b) A member of the board of trustees or an officer of the
11 retirement system required to file a personal financial statement
12 under Subchapter B, Chapter 572, must file a copy of the financial
13 statement that is filed with the Texas Ethics Commission with a
14 person designated by the board. The designated person shall review
15 each statement to identify any potential conflicts of interest and
16 shall report to the board of trustees any conflicts of interest
17 identified.

18 (c) Each employee of the retirement system who exercises
19 significant decision-making or fiduciary authority, as determined
20 by the board of trustees, shall file financial disclosure
21 statements with a person designated by the board. The content of a
22 financial disclosure statement must comply substantially with the
23 requirements of Subchapter B, Chapter 572. A statement must be
24 filed not later than the 30th day after the date a person is
25 employed in a significant decision-making or fiduciary position and
26 annually after employment not later than April 30. The filing
27 deadline may be postponed by the executive director for not more

1 than 60 days on written request or for an additional period for good
2 cause, as determined by the executive director. The designated
3 person shall review each statement to identify any potential
4 conflicts of interest and shall report to the board of trustees any
5 conflicts of interest identified. The retirement system shall
6 maintain a financial disclosure statement for at least five years
7 after the date of its filing.

8 (d) An employee required to file a financial disclosure
9 statement under Subsection (c) must annually file a signed
10 statement that the employee has disclosed any outside employment
11 activity or business activity and that the employee has received
12 approval from the executive director for the employment or business
13 activity.

14 SECTION 4. Section 825.212, Government Code, is amended by
15 adding Subsections (i) and (j) to read as follows:

16 (i) A member of the board of trustees or an officer of the
17 retirement system required to file a personal financial statement
18 under Subchapter B, Chapter 572, must file a copy of the financial
19 statement that is filed with the Texas Ethics Commission with a
20 person designated by the board. The designated person shall review
21 each statement to identify any potential conflicts of interest and
22 shall report to the board of trustees any conflicts of interest
23 identified.

24 (j) An employee required to file a financial disclosure
25 statement under Subsection (b) must annually file a signed
26 statement that the employee has disclosed any outside employment
27 activity or business activity and that the employee has received

1 approval from the executive director for the employment or business
2 activity.

3 SECTION 5. This Act takes effect September 1, 2011.