

By: Capriglione, M. Gonzalez of El Paso,
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et al.

H.B. No. 524

Substitute the following for H.B. No. 524:

By: Frullo

C.S.H.B. No. 524

A BILL TO BE ENTITLED

AN ACT

relating to the disclosure on personal financial statements of
certain contracts or subcontracts with governmental entities.

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

SECTION 1. Section 572.023, Government Code, is amended by
amending Subsection (b) and adding Subsection (e) to read as
follows:

(b) The account of financial activity consists of:

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

(2) identification by name and the category of the
number of shares of stock of any business entity held or acquired,
and if sold, the category of the amount of net gain or loss realized
from the sale;

(3) a list of all bonds, notes, and other commercial

1 paper held or acquired, and if sold, the category of the amount of
2 net gain or loss realized from the sale;

3 (4) identification of each source and the category of
4 the amount of income in excess of \$500 derived from each source from
5 interest, dividends, royalties, and rents;

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

11 (6) identification by description of all beneficial
12 interests in real property and business entities held or acquired,
13 and if sold, the category of the amount of the net gain or loss
14 realized from the sale;

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

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

23 (B) a political contribution that was reported as
24 required by Chapter 254, Election Code; and

25 (C) an expenditure required to be reported by a
26 person required to be registered under Chapter 305;

27 (8) identification of the source and the category of

1 the amount of all income received as beneficiary of a trust, other
2 than a blind trust that complies with Subsection (c), and
3 identification of each trust asset, if known to the beneficiary,
4 from which income was received by the beneficiary in excess of \$500;

5 (9) identification by description and the category of
6 the amount of all assets and liabilities of a corporation, firm,
7 partnership, limited partnership, limited liability partnership,
8 professional corporation, professional association, joint venture,
9 or other business association in which 50 percent or more of the
10 outstanding ownership was held, acquired, or sold;

11 (10) a list of all boards of directors of which the
12 individual is a member and executive positions that the individual
13 holds in corporations, firms, partnerships, limited partnerships,
14 limited liability partnerships, professional corporations,
15 professional associations, joint ventures, or other business
16 associations or proprietorships, stating the name of each
17 corporation, firm, partnership, limited partnership, limited
18 liability partnership, professional corporation, professional
19 association, joint venture, or other business association or
20 proprietorship and the position held;

21 (11) identification of any person providing
22 transportation, meals, or lodging expenses permitted under Section
23 36.07(b), Penal Code, and the amount of those expenses, other than
24 expenditures required to be reported under Chapter 305;

25 (12) any corporation, firm, partnership, limited
26 partnership, limited liability partnership, professional
27 corporation, professional association, joint venture, or other

1 business association, excluding a publicly held corporation, in
2 which both the individual and a person registered under Chapter 305
3 have an interest;

4 (13) identification by name and the category of the
5 number of shares of any mutual fund held or acquired, and if sold,
6 the category of the amount of net gain or loss realized from the
7 sale; ~~and~~

8 (14) identification of each blind trust that complies
9 with Subsection (c), including:

10 (A) the category of the fair market value of the
11 trust;

12 (B) the date the trust was created;

13 (C) the name and address of the trustee; and

14 (D) a statement signed by the trustee, under
15 penalty of perjury, stating that:

16 (i) the trustee has not revealed any
17 information to the individual, except information that may be
18 disclosed under Subdivision (8); and

19 (ii) to the best of the trustee's knowledge,
20 the trust complies with this section; and

21 (15) if the aggregate cost of goods or services sold
22 under one or more written contracts described by this subdivision
23 exceeds \$10,000 in the year covered by the report, identification
24 of each written contract, including the name of each party to the
25 contract:

26 (A) for the sale of goods or services in the
27 amount of \$2,500 or more;

1 (B) to which the individual, the individual's
2 spouse, the individual's dependent child, or any business entity of
3 which the individual, the individual's spouse, or the individual's
4 dependent child has at least a 50 percent ownership interest is a
5 party; and

6 (C) with:

7 (i) a governmental entity; or

8 (ii) a person who contracts with a
9 governmental entity, to fulfill one or more of the person's
10 obligations to the governmental entity under that contract.

11 (e) In this section, "governmental entity" means the state,
12 a political subdivision of the state, or an agency or department of
13 the state or a political subdivision of the state.

14 SECTION 2. The change in law made by this Act applies only
15 to a financial statement filed under Subchapter B, Chapter 572,
16 Government Code, as amended by this Act, on or after January 1,
17 2015. A financial statement filed before January 1, 2015, is
18 governed by the law in effect on the date of filing, and the former
19 law is continued in effect for that purpose.

20 SECTION 3. This Act takes effect September 1, 2013.