

By: Taylor

H.B. No. 1576

A BILL TO BE ENTITLED

AN ACT

relating to prohibiting state officers and employees and related individuals from engaging in insider trading; providing a criminal penalty.

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

SECTION 1. Subchapter C, Chapter 572, Government Code, is amended by adding Section 572.0532 to read as follows:

Sec. 572.0532. INSIDER TRADING PROHIBITED. (a) In this section, "nonpublic information" means information that an individual gains by reason of the individual's office or employment or relationship to an officer or employee and that the individual knows or reasonably should know has not been made available to the general public, including information that the individual knows or reasonably should know:

(1) is excepted from required disclosure under Subchapter C, Chapter 552, or otherwise protected from disclosure by statute or rule;

(2) is designated as confidential by a state agency;
or

(3) has not actually been disseminated to the general public and is not authorized to be made available to the public on request.

(b) A state officer, a state employee, or a person related to a state officer or state employee by the first degree of

1 consanguinity or affinity who, by virtue of the officer's or
2 employee's position, acquires nonpublic information that may
3 affect or tend to affect the price of any commodity or security may
4 not use the information for personal gain to purchase, sell, or
5 enter into a contract for the sale of the commodity or security.

6 (c) A violation of this section is an offense. An offense
7 under this section is a felony of the third degree.

8 SECTION 2. This Act takes effect September 1, 2013.