

BILL ANALYSIS

Senate Research Center
84R7813 ATP-D

H.B. 1539
By: Meyer et al. (Taylor, Van)
State Affairs
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law holds that if a public servant is found guilty of misusing information that has not been made public (e.g., insider trading), that they gained access to by virtue of their office or employment, the public servant is guilty of a third degree felony. The intent of H.B. 1539 is to create a "theft ladder" for such offenses, linking penalty severity with the net amount of pecuniary gain made by the offense, to further discourage public servants from misusing their position for monetary gain. The "theft ladder" created by the bill would make it a third degree felony punishable by two to 10 years in prison and a fine not to exceed \$10,000, if the gain amounts to less than \$100,000; a second degree felony, punishable by two to 20 years in prison and a fine not to exceed \$10,000, if the gain is between \$100,000 and \$200,000; and a first degree felony, punishable by five to 99 years or life in prison and a fine not to exceed \$10,000, if the gain is \$200,000 or more.

H.B. 1539 amends current law relating to increasing the criminal penalties in certain circumstances for insider trading and other misuse of official information by public servants.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 39.06, Penal Code, by amending Subsection (e) and adding Subsection (g), as follows:

- (e) Adds a reference to an exception provided by Subsection (g).
- (g) Provides that, if the commission of an offense under this section results in a net pecuniary gain to the person committing the offense, the offense is:
 - (1) a felony of the third degree if the net pecuniary gain is less than \$100,000;
 - (2) a felony of the second degree if the net pecuniary gain is \$100,000 or more but less than \$200,000; or
 - (3) a felony of the first degree if the net pecuniary gain is \$200,000 or more.

SECTION 2. (a) Provides that the change in law made by this Act applies only to an offense committed on or after the effective date of this Act. Provides that, for purposes of this section, an offense is committed before the effective date of this Act if any element of the offense occurs before the effective date.

- (b) Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2015.