

By: Taylor of Collin, et al.  
(Cook, Harless, Oliveira)

S.B. No. 19

Substitute the following for S.B. No. 19:

By: Geren

C.S.S.B. No. 19

A BILL TO BE ENTITLED

AN ACT

relating to the ethics of public officers and employees, the disclosure of certain political contributions, and related requirements and procedures; creating criminal offenses.

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

ARTICLE 1. DISCLOSURE PROVISIONS

SECTION 1.01. Section 254.261, Election Code, is amended by adding Subsection (e) to read as follows:

(e) This section does not apply to a person to whom Subchapter K applies.

SECTION 1.02. Subchapter J, Chapter 254, Election Code, is amended by adding Section 254.263 to read as follows:

Sec. 254.263. APPLICABILITY OF PRIVILEGE TO CERTAIN PERSONS MAKING CERTAIN POLITICAL EXPENDITURES. The privilege established under Subchapter C, Chapter 22, Civil Practice and Remedies Code, does not apply to:

(1) a person who:

(A) is required to file a report under Section 254.261;

(B) controls a political committee;

(C) serves as the campaign treasurer of a candidate or political committee; or

(D) makes a political expenditure described by Section 253.100(a);



political contribution or political expenditure.

(3) "Donor" means a person who makes a contribution to a person or group to whom this subchapter applies, regardless of whether the person making the contribution is a member of the person or group that accepts the contribution.

Sec. 254.282. APPLICABILITY OF SUBCHAPTER. This subchapter applies only to a person or group that:

(1) is not a political committee;

(2) accepts one or more contributions in connection with campaign activity from a person that in the aggregate exceed \$2,000 during a reporting period; and

(3) makes one or more political expenditures, excluding expenditures authorized by Sections [253.098](#), [253.099](#), [253.100](#), and [253.104](#), that in the aggregate exceed \$25,000 during a calendar year.

Sec. 254.283. REPORTING REQUIREMENTS. (a) Except as otherwise provided by this subchapter, a person or group shall comply with this chapter as if the person or group were the campaign treasurer of a general-purpose committee that does not file monthly reports under Section [254.155](#).

(b) A person or group is not required to file a campaign treasurer appointment for accepting contributions or making political expenditures for which reporting is required under this subchapter, unless the person or group is otherwise required to file a campaign treasurer appointment under this title.

(c) A person or group is not required to file a report under this subchapter if:

1           (1) the person or group is required to disclose the  
2 contributions and political expenditures in another report  
3 required under this title within the time applicable under this  
4 subchapter for reporting the contributions and political  
5 expenditures; or

6           (2) no reportable activity occurs during the reporting  
7 period.

8           Sec. 254.284. CONTENTS OF REPORT. (a) Disclosure of a  
9 contribution as provided by Sections [254.031](#) and [254.151](#) is  
10 required in a report under this subchapter only if:

11           (1) the contribution is a contribution in connection  
12 with campaign activity; and

13           (2) the aggregate amount of contributions in  
14 connection with campaign activity accepted from a person exceeds  
15 \$2,000 during the reporting period.

16           (b) A report required under this subchapter is not required  
17 to include:

18           (1) any contributions accepted by the person or group  
19 that are not contributions in connection with campaign activity;

20           (2) the total amount of unitemized political  
21 contributions accepted by the person or group;

22           (3) the total amount of political contributions  
23 maintained by the person or group;

24           (4) any expenditures made by the person or group that  
25 are not political expenditures;

26           (5) the total amount of unitemized political  
27 expenditures made by the person or group; or

1           (6) the principal amount of all of the person's or  
2 group's outstanding loans.

3           (c) The first report required to be filed in a calendar year  
4 in which the \$2,000 or \$25,000 threshold under Section 254.282 is  
5 exceeded must include all contributions in connection with campaign  
6 activity accepted from a person that in the aggregate exceed \$2,000  
7 and all political expenditures made in the 12 months immediately  
8 preceding the acceptance of the contribution in connection with  
9 campaign activity or the making of the political expenditure that  
10 triggers the reporting requirements of this subchapter and not  
11 previously reported as required under this subchapter.

12           Sec. 254.285. NONREPORTABLE PERSONAL TRAVEL EXPENSE. A  
13 contribution consisting of personal travel expense incurred by an  
14 individual is not required to be reported under this subchapter if  
15 the individual receives no reimbursement for the expense.

16           Sec. 254.286. NONREPORTABLE PERSONAL SERVICE. A  
17 contribution consisting of an individual's personal service is not  
18 required to be reported under this subchapter if the individual  
19 receives no compensation for the service.

20           SECTION 1.04. Section [305.002](#)(5), Government Code, is  
21 amended to read as follows:

22           (5) "Expenditure" means a payment, distribution,  
23 loan, advance, reimbursement, deposit, or gift of money or any  
24 thing of value and includes a contract, promise, or agreement,  
25 whether or not legally enforceable, to make an expenditure. The  
26 term does not include a payment benefiting a member of the  
27 legislative or executive branch if the member fully reimburses the

person making the expenditure before the date on which the person would otherwise be required to report the payment under this title.

SECTION 1.05. Effective September 1, 2015, Section 305.027, Government Code, is amended by amending Subsection (e) and adding Subsection (f) to read as follows:

(e) In this section:

(1) "Automated dial announcing device" means automated equipment used for telephone solicitation or collection that can:

(A) store telephone numbers to be called or produce numbers to be called through use of a random or sequential number generator; and

(B) convey, alone or in conjunction with other equipment, a prerecorded or synthesized voice message to the number called without the use of a live operator.

(2) "Legislative [~~7~~, "~~legislative~~]" advertising means a communication that supports, opposes, or proposes legislation and that:

(A) [~~(1)~~] in return for consideration, is published in a newspaper, magazine, or other periodical or is broadcast by radio or television; [~~or~~]

(B) [~~(2)~~] appears in a pamphlet, circular, flier, billboard or other sign, bumper sticker, button, or similar form of written communication; or

(C) is conveyed to a member of the legislature using an automated dial announcing device.

(f) A person commits an offense if the person knowingly

1 communicates or knowingly enters into a contract to communicate  
2 legislative advertising to a member of the legislature using an  
3 automated dial announcing device. Notwithstanding Section  
4 305.031, an offense under this subsection is a Class B misdemeanor.

5 SECTION 1.06. Section 572.021, Government Code, is amended  
6 to read as follows:

7 Sec. 572.021. FINANCIAL STATEMENT REQUIRED. (a) Except as  
8 provided by Section 572.0211, a state officer, a partisan or  
9 independent candidate for an office as an elected officer, and a  
10 state party chair shall file with the commission a verified  
11 financial statement complying with Sections 572.022 through  
12 572.0252.

13 (b) Each financial statement filed under this subchapter  
14 must be submitted electronically through a secure website  
15 maintained by the commission using software that meets the  
16 commission's specifications.

17 SECTION 1.07. Section 572.023, Government Code, is amended  
18 by amending Subsection (b) and adding Subsection (e) to read as  
19 follows:

20 (b) The account of financial activity consists of:

21 (1) a list of all sources of occupational income,  
22 identified by employer, or if self-employed, by the nature of the  
23 occupation, including identification of a person or other  
24 organization from which the individual or a business in which the  
25 individual has a substantial interest received a fee as a retainer  
26 for a claim on future services in case of need, as distinguished  
27 from a fee for services on a matter specified at the time of

1 contracting for or receiving the fee, if professional or  
2 occupational services are not actually performed during the  
3 reporting period equal to or in excess of the amount of the  
4 retainer, and each source of a referral fee paid to a firm or other  
5 business entity in which the individual has a substantial interest,  
6 and the category of the amount of the fee;

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

11 (3) a list of all bonds, notes, and other commercial  
12 paper held or acquired, and if sold, the category of the amount of  
13 net gain or loss realized from the sale;

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

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

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

26 (7) identification of a person or other organization  
27 from which the individual or the individual's spouse or dependent



1 children received a gift of anything of value in excess of \$250 and  
2 a description of each gift, except:

3 (A) a gift received from an individual related to  
4 the individual at any time within the second degree by  
5 consanguinity or affinity, as determined under Subchapter B,  
6 Chapter 573;

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

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

11 (8) identification of the source and the category of  
12 the amount of all income received as beneficiary of a trust, other  
13 than a blind trust that complies with Subsection (c), and  
14 identification of each trust asset, if known to the beneficiary,  
15 from which income was received by the beneficiary in excess of \$500;

16 (9) identification by description and the category of  
17 the amount of all assets and liabilities of a corporation, firm,  
18 partnership, limited partnership, limited liability partnership,  
19 professional corporation, professional association, joint venture,  
20 or other business association in which 50 percent or more of the  
21 outstanding ownership was held, acquired, or sold;

22 (10) a list of all boards of directors of which the  
23 individual is a member and executive positions that the individual  
24 holds in corporations, firms, partnerships, limited partnerships,  
25 limited liability partnerships, professional corporations,  
26 professional associations, joint ventures, or other business  
27 associations or proprietorships, stating the name of each

1 corporation, firm, partnership, limited partnership, limited  
2 liability partnership, professional corporation, professional  
3 association, joint venture, or other business association or  
4 proprietorship and the position held;

5 (11) identification of any person providing  
6 transportation, meals, or lodging expenses permitted under Section  
7 36.07(b), Penal Code, and the amount of those expenses, other than  
8 expenditures required to be reported under Chapter 305;

9 (12) any corporation, firm, partnership, limited  
10 partnership, limited liability partnership, professional  
11 corporation, professional association, joint venture, or other  
12 business association, excluding a publicly held corporation, in  
13 which both the individual and a person registered under Chapter 305  
14 have an interest;

15 (13) identification by name and the category of the  
16 number of shares of any mutual fund held or acquired, and if sold,  
17 the category of the amount of net gain or loss realized from the  
18 sale; ~~and~~

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

21 (A) the category of the fair market value of the  
22 trust;

23 (B) the date the trust was created;

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

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

27 (i) the trustee has not revealed any

information to the individual, except information that may be disclosed under Subdivision (8); and

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

(15) identification of each contract or subcontract with a public entity to which the individual or the individual's spouse is a party and each paid relationship the individual or the individual's spouse has with a public entity; and

(16) identification of any other source of earned or unearned income not reported under another provision of this subsection, including federal or state governmental disability payments, other public benefits, or a pension, individual retirement account, or other retirement plan, and the category of the amount of income derived from each source.

(e) In this section:

(1) "Public benefit" includes the value of an exemption from taxation of the total appraised value of a residence homestead.

(2) "Public entity" includes this state and a political subdivision of this state.

SECTION 1.08. Subchapter B, Chapter 572, Government Code, is amended by adding Section 572.0231 to read as follows:

Sec. 572.0231. AFFIRMATION OF SUBMISSION OF FEDERAL INCOME TAX RETURN AND TAX PAYMENTS. (a) An individual filing a statement under this subchapter shall include with the statement an affirmation that:

(1) the individual has filed a federal personal income

1 tax return for the preceding calendar year and has made all payments  
2 as required for federal income taxes owed by the individual for the  
3 preceding year; or

4 (2) the individual has filed for and is submitting the  
5 personal financial statement within the period of a valid extension  
6 for the filing of a federal personal income tax return.

7 (b) An individual filing a statement under this subchapter  
8 shall include with the statement an affirmation that the individual  
9 has paid all property taxes due and payable by the individual on the  
10 date the statement is filed.

11 SECTION 1.09. Subchapter B, Chapter 572, Government Code,  
12 is amended by adding Sections 572.0253 and 572.0254 to read as  
13 follows:

14 Sec. 572.0253. INFORMATION ABOUT GOVERNMENT CONTRACT  
15 CONSULTING SERVICES. (a) In this section, "government contract  
16 consulting services" means services to advise or assist a person or  
17 entity in maintaining, applying for, soliciting, or entering into a  
18 contract with this state or a political subdivision of this state.

19 (b) A state officer who receives compensation for  
20 government contract consulting services performed by the officer  
21 shall report on the financial statement the name of each person to  
22 whom the officer provided the services and the category of the  
23 amount of compensation actually received.

24 Sec. 572.0254. PRE-APPOINTMENT STATEMENT OF POLITICAL  
25 CONTRIBUTIONS MADE BY APPOINTED OFFICER OR SPOUSE. (a) In this  
26 section, "political contribution" has the meaning assigned by  
27 Section [251.001](#), Election Code.

1        (b) Notwithstanding the filing dates provided by Section  
2 572.026, before being appointed as an appointed officer by the  
3 governor, lieutenant governor, or speaker of the house of  
4 representatives, an individual must file with the commission a  
5 statement that discloses any political contributions made during  
6 the two years preceding the individual's nomination to the  
7 appointed office by the individual or the individual's spouse to:

8                (1) the appointing officer as a candidate or  
9 officeholder; or

10               (2) a specific-purpose political committee for:

11                        (A) supporting the appointing officer;

12                        (B) opposing the appointing officer's opponent;

13 or

14                        (C) assisting the appointing officer as an  
15 officeholder.

16        SECTION 1.10. Section 572.026(d), Government Code, is  
17 amended to read as follows:

18        (d) An individual required to file a financial statement  
19 under Subsection (a) may request the commission to grant an  
20 extension of not more than 60 days for filing the statement. [~~The~~  
21 ~~commission shall grant the request if it is received before the~~  
22 ~~filing deadline or if a timely filing or request for extension is~~  
23 ~~prevented because of physical or mental incapacity.~~] The  
24 commission may not grant an [~~more than one~~] extension to an  
25 individual [~~in one year~~] except for good cause shown, as determined  
26 by the commission.

27        SECTION 1.11. Subchapter B, Chapter 572, Government Code,

1 is amended by adding Section 572.0295 to read as follows:

2 Sec. 572.0295. PERSONAL FINANCIAL STATEMENT. (a) A person  
3 who files a report under this chapter may amend the report.

4 (b) A report that is amended before the eighth day after the  
5 date the original report was filed is considered to have been filed  
6 on the date on which the original report was filed.

7 (c) A report that is amended on or after the eighth day after  
8 the original report was filed is considered to have been filed on  
9 the date on which the original report was filed if:

10 (1) the amendment is made before any complaint is  
11 filed with the commission regarding the subject of the amendment;  
12 and

13 (2) the original report was made in good faith and  
14 without an intent to mislead or to misrepresent the information  
15 contained in the report.

16 SECTION 1.12. Section 572.032, Government Code, is amended  
17 by amending Subsections (a) and (c) and adding Subsections (a-2)  
18 and (d) to read as follows:

19 (a) Financial statements filed under this subchapter are  
20 public records. The commission shall maintain the statements in  
21 separate alphabetical files and in a manner that is accessible to  
22 the public during regular office hours and make the statements  
23 available in a searchable format to the public on the commission's  
24 website not later than the third business day after the date the  
25 statement is required to be filed or is actually filed, whichever is  
26 later.

27 (a-2) The commission shall remove the home address of an

1 individual from a financial statement filed by the individual under  
2 this subchapter before making the statement available to the public  
3 on the commission's Internet website.

4 (c) After the second anniversary of the date the individual  
5 ceases to be a state officer, the commission may and on notification  
6 from the former state officer shall:

7 (1) destroy each financial statement filed by the  
8 state officer; and

9 (2) remove each financial statement filed by the state  
10 officer from the commission's Internet website.

11 (d) The commission is not required to continue to make  
12 available on its website a financial statement that may be  
13 destroyed under Subsection (c).

14 ARTICLE 2. CONFLICTS OF INTEREST

15 SECTION 2.01. Effective January 1, 2017, Subchapter A,  
16 Chapter 253, Election Code, is amended by adding Section 253.006 to  
17 read as follows:

18 Sec. 253.006. CERTAIN CONTRIBUTIONS AND EXPENDITURES BY  
19 LOBBYISTS RESTRICTED. (a) Notwithstanding any other provision of  
20 law, a person required to register under Chapter 305, Government  
21 Code, may not, before the second anniversary of the date the last  
22 term for which the person was elected ends, knowingly make or  
23 authorize a political contribution or political expenditure from  
24 political contributions accepted by the person as a candidate or  
25 officeholder.

26 (b) A person who violates this section commits an offense.  
27 An offense under this section is a Class A misdemeanor.

SECTION 2.02. Effective September 1, 2015, Sections 305.0061(a), (b), and (c), Government Code, are amended to read as follows:

(a) If a registrant or a person on the registrant's behalf and with the registrant's consent or ratification makes expenditures that exceed an amount set by the commission that is not less than \$50 or greater than 60 percent of the amount of the legislative per diem in a day for transportation or lodging for a member of the legislative or executive branch or for the immediate family of a member of the legislative or executive branch, the registrant shall also state the following on the report filed under Section 305.006:

(1) the name of the member of the legislative or executive branch in whose behalf the expenditure is made;

(2) the place and date of the transportation or lodging; and

(3) the purpose of the transportation or lodging.

(b) If a registrant or a person on the registrant's behalf and with the registrant's consent or ratification makes expenditures that exceed an amount set by the commission that is not less than \$50 or greater than 60 percent of the amount of the legislative per diem in a day for food and beverages for a member of the legislative or executive branch or for the immediate family of a member of the legislative or executive branch or makes expenditures that exceed an amount set by the commission that is not less than \$50 or greater than 60 percent of the amount of the legislative per diem in a day for entertainment for a member of the legislative or



executive branch or for the immediate family of a member of the legislative or executive branch, the registrant shall also state the following on the report filed under Section 305.006:

(1) the name of the member of the legislative or executive branch in whose behalf the expenditure is made;

(2) the place and date of the expenditure; and

(3) the amount of the expenditure by the appropriate category of the amount, as determined by the commission.

(c) If a registrant or a person on the registrant's behalf and with the registrant's consent or ratification gives to a member of the legislative or executive branch, or to the immediate family of a member of the legislative or executive branch, a gift or an award or memento, the value of which exceeds \$50 per gift, award, or memento, the registrant shall also state the following on the report filed under Section 305.006:

(1) the name of the member of the legislative or executive branch in whose behalf the expenditure is made;

(2) a general description of the gift, award, or memento; and

(3) the amount of the expenditure by the appropriate category of the amount, as determined by the commission.

SECTION 2.03. Effective January 1, 2017, Subchapter B, Chapter 305, Government Code, is amended by adding Section 305.029 to read as follows:

Sec. 305.029. EXPENDITURES FROM POLITICAL CONTRIBUTIONS RESTRICTED. (a) In this section, "political contribution" has the meaning assigned by Section 251.001, Election Code.

1        (b) Notwithstanding any other provision of law, a person  
2 required to register under this chapter may not, before the second  
3 anniversary of the date the last term for which the person was  
4 elected ends, knowingly make or authorize an expenditure under this  
5 chapter from political contributions accepted by the person as a  
6 candidate or officeholder.

7        SECTION 2.04. Effective September 1, 2015, Section 572.002,  
8 Government Code, is amended by adding Subdivision (5-a) to read as  
9 follows:

10        (5-a) "Member of the governor's senior staff" means a  
11 person employed by the governor acting in the governor's official  
12 capacity whose regular job duties include:

13                (A) formulating policy or testifying before and  
14 meeting with members of the legislature; or

15                (B) supervising other employees in the  
16 governor's office whose regular job duties include those described  
17 by Paragraph (A).

18        SECTION 2.05. Effective January 1, 2017, Section 572.053,  
19 Government Code, is amended to read as follows:

20        Sec. 572.053. VOTING BY LEGISLATORS ON CERTAIN MEASURES OR  
21 BILLS; CRIMINAL OFFENSE. (a) In this section, "pecuniary benefit"  
22 includes the avoidance of a pecuniary detriment.

23        (b) A member of the legislature may not vote on a measure or  
24 a bill if the member or the member's spouse would receive a direct  
25 and substantial pecuniary benefit because of the vote~~[, other than~~  
26 ~~a measure that will affect an entire class of business entities,~~  
27 ~~that will directly benefit a specific business transaction of a~~

1 ~~business entity in which the member has a controlling interest]~~.

2       (c) [(b)] A member of the legislature is not prohibited from  
3 voting on a measure or bill if the benefit accrues to the member or  
4 the member's spouse as part of a class, including a profession,  
5 occupation, or industry, to no greater an extent than to the rest of  
6 the class [~~In this section, "controlling interest" includes:~~

7               ~~[(1) an ownership interest or participating interest~~  
8 ~~by virtue of shares, stock, or otherwise that exceeds 10 percent;~~

9               ~~[(2) membership on the board of directors or other~~  
10 ~~governing body of the business entity; or~~

11               ~~[(3) service as an officer of the business entity].~~

12       (d) [(c)] A member of the legislature prohibited from  
13 voting on a measure or bill under Subsection (b) is not prohibited  
14 from participating in debate or deliberation in connection with the  
15 bill or measure.

16       (e) A member of the legislature commits an offense if the  
17 member intentionally votes on a measure or bill in violation of  
18 Subsection (b) [violates this section]. An offense under this  
19 subsection is a Class A misdemeanor.

20       SECTION 2.06. Effective January 1, 2017, Subchapter C,  
21 Chapter 572, Government Code, is amended by adding Section 572.0532  
22 to read as follows:

23       Sec. 572.0532. ETHICS COUNSELOR; ETHICS ANALYSIS; CONFLICT  
24 OF INTEREST OPINION. (a) The ethics counselor is a licensed  
25 attorney designated by the Texas Legislative Council. The Texas  
26 Legislative Council may designate more than one ethics counselor.

27       (b) Not later than the 30th day after the legislature

1 convenes in regular session, the ethics counselor shall review the  
2 most recently filed financial statement of each member of the  
3 legislature and shall provide the member with an ethics analysis of  
4 the member's financial interests. The ethics analysis shall  
5 identify the subjects of legislation upon which a vote by the member  
6 has the potential to violate the duties imposed by Section 572.053  
7 and by Section 22, Article III, Texas Constitution.

8 (c) A member of the legislature may request an opinion with  
9 respect to the member's duty under Section 572.053 in relation to a  
10 specific bill or measure from the ethics counselor or another  
11 attorney designated by the legislative chamber in which the member  
12 serves. The ethics counselor or other attorney, as applicable,  
13 shall issue the opinion not later than the 10th day after receiving  
14 a request under this subsection. An opinion issued under this  
15 subsection is confidential.

16 (d) A member of the legislature who reasonably relies on an  
17 ethics analysis provided under Subsection (b) or an opinion issued  
18 under Subsection (c) is not subject to a criminal penalty or other  
19 sanction for a violation of Section 572.053, provided that the  
20 material facts are substantially similar to the facts stated in the  
21 opinion request.

22 (e) An ethics analysis provided under Subsection (b) is  
23 public information.

24 SECTION 2.07. Effective September 1, 2015, the heading to  
25 Section 572.054, Government Code, is amended to read as follows:

26 Sec. 572.054. REPRESENTATION BY FORMER OFFICER OR EMPLOYEE  
27 OF GOVERNOR OR REGULATORY AGENCY RESTRICTED; CRIMINAL OFFENSE.

SECTION 2.08. Section 572.054, Government Code, is amended by adding Subsection (b-1) to read as follows:

(b-1) A member of the governor's senior staff who ceases employment with the governor may not make any communication to or appearance before the governor or a member of the governor's senior staff for which the former staff member receives a benefit and with the intent to influence action by the governor before:

(1) the end of the governor's term during which the staff member's employment ceased; or

(2) if the staff member's employment ceased during the final 12 months of the governor's term, the end of that term and, if the governor is reelected, the next succeeding term of office.

SECTION 2.09. Effective September 1, 2015, Subchapter C, Chapter 572, Government Code, is amended by adding Section 572.063 to read as follows:

Sec. 572.063. CERTAIN REFERRALS FOR LEGAL SERVICES PROHIBITED. (a) A member of the legislature or an executive officer elected in a statewide election who is a member of the State Bar of Texas or who is licensed to practice law in another state, a federal court, or a United States territory may make or receive a referral for legal services for monetary compensation or any other benefit only if the referral:

(1) complies with the rules of the State Bar of Texas; and

(2) is evidenced by a written contract between the parties who are subject to the referral.

(b) A person commits an offense if the person violates this

section. An offense under this section is a Class A misdemeanor.

ARTICLE 3. ETHICS COMMISSION FILINGS AND PROCEEDINGS

SECTION 3.01. Section 571.067, Government Code, is amended to read as follows:

Sec. 571.067. COMPUTER SOFTWARE. (a) The commission may develop computer software to facilitate the discharge of its statutory duties and for that purpose may:

(1) acquire, apply for, register, secure, hold, protect, and renew under the laws of the State of Texas, the United States, any state in the United States, or any nation:

(A) a patent for the invention, discovery, or improvement of any new and useful process, machine, manufacture, composition of matter, art, or method, including any new use of a known process, machine, manufacture, composition of matter, art, or method;

(B) a copyright for an original work of authorship fixed in any tangible medium of expression, now known or later developed, from which it can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device;

(C) a trademark, service mark, collective mark, or certification mark for a word, name, symbol, device, or slogan that the commission uses to identify and distinguish its goods and services from other goods and services; or

(D) other evidence of protection or exclusivity issued for intellectual property;

(2) contract with a person or entity for the

reproduction, distribution, public performance, display, advertising, marketing, lease, licensing, sale, use, or other distribution of the commission's intellectual property;

(3) obtain under a contract described in Subdivision (2) a royalty, license, right, or other appropriate means of securing reasonable compensation for the exercise of rights with respect to the commission's intellectual property; and

(4) waive, increase, or reduce the amount of compensation secured by a contract under Subdivision (3) if the commission determines that the waiver, increase, or reduction will:

(A) further a goal or mission of the commission;  
and

(B) result in a net benefit to the state.

(b) Money paid to the commission under this section shall be deposited to the credit of the general revenue fund.

SECTION 3.02. Section [571.0671](#), Government Code, is amended by adding Subsection (d) to read as follows:

(d) Electronic report data saved in a commission temporary storage location for later retrieval and editing before the report is filed is confidential and may be withheld from disclosure without the necessity of requesting a decision from the attorney general. After the report is filed, the information disclosed in the report is subject to the law requiring the filing of the report.

SECTION 3.03. Section [571.0771](#)(a), Government Code, is amended to read as follows:

(a) A statement, registration, or report required that is filed with the commission is not considered to be late for purposes

1 of any applicable civil or criminal penalty for late filing of the  
2 statement, registration, or report if:

3 (1) any error or omission in the statement,  
4 registration, or report as originally filed was made in good faith;  
5 and

6 (2) not later than the 14th business day after the date  
7 the person filing the statement, registration, or report learns  
8 that the statement, registration, or report as originally filed is  
9 inaccurate or incomplete, the person files:

10 (A) a corrected or amended statement,  
11 registration, or report; and

12 (B) an affidavit stating that the error or  
13 omission in the original statement, registration, or report was  
14 made in good faith.

15 SECTION 3.04. Effective January 1, 2016, Section [571.133](#),  
16 Government Code, is amended by amending Subsection (d) and adding  
17 Subsection (e) to read as follows:

18 (d) An appeal brought under this section is not limited to  
19 questions of law, and the substantial evidence rule does not apply.  
20 The action shall be determined by trial de novo. The reviewing  
21 court shall try all issues of fact and law in the manner applicable  
22 to other civil suits in this state but may not admit in evidence the  
23 fact of prior action by the commission or the nature of that action,  
24 except to the limited extent necessary to show compliance with  
25 statutory provisions that vest jurisdiction in the court. A party  
26 is entitled, on demand, to a jury determination of any issue of fact  
27 on which a jury determination is available in other civil suits in



1 this state. This subsection does not apply to an appeal of a final  
2 decision of the commission if the final decision is that the  
3 respondent violated Chapter 305.

4 (e) An appeal of a final decision of the commission that the  
5 respondent violated Chapter 305 is considered to be a contested  
6 case under Chapter 2001 and the standard of review is by substantial  
7 evidence.

8 SECTION 3.05. Subchapter E, Chapter 571, Government Code,  
9 is amended by adding Section 571.1401 to read as follows:

10 Sec. 571.1401. CERTAIN DISCLOSURE OF INFORMATION. (a) To  
11 protect the public interest, the commission may disclose to a law  
12 enforcement agency information that is confidential under Section  
13 571.140(a).

14 (b) The commission may disclose information under this  
15 section only to the extent necessary for the recipient of the  
16 information to perform a duty or function that is in addition to the  
17 commission's duties and functions.

18 (c) Information disclosed to a law enforcement agency under  
19 this section remains confidential, and the agency must take  
20 appropriate measures to maintain that confidentiality.

21 (d) A person commits an offense if the person discloses  
22 confidential information obtained under this section. An offense  
23 under this subsection is a Class C misdemeanor.

24 SECTION 3.06. Section 571.176, Government Code, is amended  
25 by amending Subsections (a) and (b) and adding Subsections (a-1)  
26 and (a-2) to read as follows:

27 (a) The commission may impose a civil penalty of not more

than \$10,000 for the filing of a frivolous or bad-faith complaint.

In this section:

(1) a complaint is frivolous if the complaint  
~~[subsection, "frivolous complaint" means a complaint that]~~ is  
groundless and brought in bad faith or is groundless and brought for  
the purpose of harassment; and

(2) a complaint is groundless if the complaint does  
not allege a violation of the law that is material, nonclerical, or  
nontechnical.

(a-1) The commission shall award to the respondent of a  
frivolous complaint:

(1) costs, reasonable attorney's fees, and other  
expenses incurred in defending against the complaint as justice and  
equity may require; and

(2) sanctions against the person who filed the  
complaint as the commission determines sufficient to deter the  
person from filing similar frivolous complaints.

(a-2) The person who filed the complaint is liable to the  
respondent for the costs, fees, and expenses awarded by the  
commission under Subsection (a-1)(1).

(b) In addition to other penalties, a person who files a  
frivolous complaint is civilly liable to the respondent in an  
amount equal to the greater of \$10,000 or the amount of actual  
damages incurred by the respondent~~[, including court costs and~~  
~~attorney fees]~~.

ARTICLE 4. VACANCY ON CERTAIN CONVICTIONS

SECTION 4.01. Chapter 301, Government Code, is amended by

adding Subchapter Z to read as follows:

SUBCHAPTER Z. MISCELLANEOUS PROVISIONS

Sec. 301.901. VACANCY ON FINAL FELONY CONVICTION OF MEMBER OF LEGISLATURE. A member of the legislature convicted of a felony vacates the member's office on the date the conviction becomes final.

ARTICLE 5. RECORDS OF CERTAIN ORAL COMMUNICATIONS

SECTION 5.01. Section 306.002, Government Code, is amended to read as follows:

Sec. 306.002. APPLICATION. This chapter applies to:

(1) records and communications collected and maintained by members of the legislature and the lieutenant governor on June 12, 1985, as well as to records made and communications received by those officials on or after that date; and

(2) oral communications to members of the legislature and the lieutenant governor.

SECTION 5.02. Chapter 306, Government Code, is amended by adding Section 306.0041 to read as follows:

Sec. 306.0041. INTERCEPTION OF ORAL COMMUNICATIONS MADE IN THE CAPITOL. (a) In this chapter:

(1) "Intercept" means the aural acquisition of the contents of a communication through the use of an electronic, mechanical, or other device that is made without the consent of all parties to the communication, but does not include the ordinary use of:

(A) a telephone or telegraph instrument or

facility or telephone or telegraph equipment;

(B) a hearing aid designed to correct subnormal hearing to not better than normal;

(C) a radio, television, or other wireless receiver; or

(D) a cable system that relays a public wireless broadcast from a common antenna to a receiver.

(2) "Protected oral communication" means an oral communication uttered by a person exhibiting an expectation that the communication is not subject to interception under circumstances justifying that expectation. The term does not include an electronic communication.

(b) To ensure the right of the citizens of this state to petition state government, as guaranteed by Article I, Section 27, Texas Constitution, by protecting the confidentiality of communications of citizens with a member of the legislature or the lieutenant governor, a person has a justified expectation that the person's oral communication with a member of the legislature or the lieutenant governor while in the state capitol is not subject to interception. A person whose oral communication with a member of the legislature or the lieutenant governor consists of testimony at a public meeting of a legislative committee or agency does not have a justified expectation that the communication is not subject to interception.

(c) A party to a protected oral communication with a member of the legislature or the lieutenant governor while in the state capitol has a civil cause of action against a person who:

1           (1) intercepts, attempts to intercept, or employs or  
2 obtains another to intercept or attempt to intercept the  
3 communication; or

4           (2) uses or divulges information that the person knows  
5 or reasonably should know was obtained by interception of the  
6 communication.

7           (d) This section does not apply to a party to an oral  
8 communication if an interception or attempted interception of the  
9 communication is authorized by 18 U.S.C. Section 2516, or if the  
10 party has an affirmative defense to prosecution under Section  
11 16.02, Penal Code, other than Subsection (c)(4) of that section.

12           (e) A person who establishes a cause of action under this  
13 section is entitled to:

14           (1) an injunction prohibiting a further interception,  
15 attempted interception, or divulgence or use of information  
16 obtained by an interception;

17           (2) statutory damages of \$10,000 for each occurrence;

18           (3) all actual damages in excess of \$10,000;

19           (4) punitive damages in an amount determined by the  
20 court or jury; and

21           (5) reasonable attorney's fees and costs.

22           (f) Chapter 27, Civil Practice and Remedies Code, does not  
23 apply to a legal action authorized by this section.

24                           ARTICLE 6. REPEALER

25           SECTION 6.01. Section 572.032(b), Government Code, is  
26 repealed.

ARTICLE 7. TRANSITIONS; EFFECTIVE DATE

SECTION 7.01. Sections 253.006, Election Code, and 305.029, Government Code, as added by this Act, apply to a political contribution, political expenditure, or lobbying expenditure made on or after January 1, 2017, from funds accepted as a political contribution, regardless of the date the funds were accepted.

SECTION 7.02. Subchapter K, Chapter 254, Election Code, as added by this Act, applies only to the reporting of a contribution in connection with campaign activity or a political expenditure made on or after September 1, 2015. A contribution or expenditure made before September 1, 2015, is governed by the law in effect when the contribution or expenditure was made, and the former law is continued in effect for that purpose.

SECTION 7.03. The change in law made by this Act to Section 305.002, Government Code, applies only to an expenditure made on or after the effective date of this Act. An expenditure made before the effective date of this Act is governed by the law in effect when the expenditure was made, and the former law is continued in effect for that purpose.

SECTION 7.04. The changes in law made by this Act to Section 305.0061, Government Code, apply only to a gift, award, or memento given to or expenditures for transportation, lodging, food, beverages, or entertainment made for a member of the legislative or executive branch or the immediate family of a member of the legislative or executive branch on or after September 1, 2015. A gift, award, or memento given to or an expenditure for transportation, lodging, food, beverages, or entertainment made

1 for a member of the legislative or executive branch or the immediate  
2 family of a member of the legislative or executive branch before  
3 September 1, 2015, is governed by the law in effect on the date the  
4 gift, award, or memento was given, or the date the expenditure for  
5 transportation, lodging, food, beverages, or entertainment was  
6 made, and the former law is continued in effect for that purpose.

7 SECTION 7.05. The change in law made by this Act to Chapter  
8 306, Government Code, applies to a communication that is:

9 (1) described by Section 306.0041(c)(1), Government  
10 Code, as added by this Act, and made on or after the effective date  
11 of this Act; and

12 (2) used or divulged as described by Section  
13 306.0041(c)(2), Government Code, as added by this Act, on or after  
14 the effective date of this Act, without regard to when the  
15 communication was made.

16 SECTION 7.06. Section [571.133](#), Government Code, as amended  
17 by this Act, applies only to an appeal of a final decision of the  
18 Texas Ethics Commission filed on or after January 1, 2016. An  
19 appeal of a final decision of the Texas Ethics Commission filed  
20 before January 1, 2016, is governed by the law in effect when the  
21 appeal was filed, and the former law is continued in effect for that  
22 purpose.

23 SECTION 7.07. The changes in law made by this Act to  
24 Subchapter B, Chapter 572, Government Code, apply only to a  
25 financial statement filed under Subchapter B, Chapter 572,  
26 Government Code, as amended by this Act, on or after January 1,  
27 2016. A financial statement filed before January 1, 2016, is

1 governed by the law in effect on the date of filing, and the former  
2 law is continued in effect for that purpose.

3       SECTION 7.08. (a) The changes in law made by this Act to  
4 Sections 305.027(f), 572.054, and 572.063, Government Code, apply  
5 only to an offense committed on or after September 1, 2015. For  
6 purposes of this section, an offense is committed before the  
7 effective date of this Act if any element of the offense occurs  
8 before that date.

9       (b) An offense committed before September 1, 2015, is  
10 governed by the law in effect when the offense was committed, and  
11 the former law is continued in effect for that purpose.

12       SECTION 7.09. (a) The change in law made by this Act to  
13 Section 572.053, Government Code, applies only to an offense  
14 committed on or after January 1, 2017. For purposes of this section,  
15 an offense is committed before January 1, 2017, if any element of  
16 the offense occurs before that date.

17       (b) An offense committed before January 1, 2017, is governed  
18 by the law in effect when the offense was committed, and the former  
19 law is continued in effect for that purpose.

20       SECTION 7.10. Except as otherwise provided by this Act,  
21 this Act takes effect immediately if it receives a vote of  
22 two-thirds of all the members elected to each house, as provided by  
23 Section 39, Article III, Texas Constitution. If this Act does not  
24 receive the vote necessary for immediate effect, this Act takes  
25 effect September 1, 2015.