

By: Taylor of Collin

S.B. No. 736

A BILL TO BE ENTITLED

AN ACT

relating to the disclosure on personal financial statements of certain contracts 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:

27 (i) goods in the amount of \$2,500 or more;

1 or

2 (ii) services, including professional  
3 services as defined by Section 2254.002, consulting services as  
4 defined by Section 2254.021, or legal counsel, in the amount of  
5 \$5,000 or more;

6 (B) to which the individual, the individual's  
7 spouse, the individual's dependent child, or any business entity of  
8 which the individual, the individual's spouse, or the individual's  
9 dependent child has at least a 50 percent ownership interest is a  
10 party; and

11 (C) with:

12 (i) a governmental entity; or

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

16 (e) In this section, "governmental entity" means the state,  
17 a political subdivision of the state, or an agency or department of  
18 the state or a political subdivision of the state.

19 SECTION 2. The change in law made by this Act to Section  
20 572.023, Government Code, applies only to a financial statement  
21 filed under Subchapter B, Chapter 572, Government Code, as amended  
22 by this Act, on or after January 1, 2017. A financial statement  
23 filed before January 1, 2017, is governed by the law in effect on  
24 the date of filing, and the former law is continued in effect for  
25 that purpose.

26 SECTION 3. This Act takes effect January 1, 2016.