86R978 ATP-F

By:  Davis of Harris H.B. No. 783

A BILL TO BE ENTITLED

AN ACT

relating to the contents of and recordkeeping requirements relating to personal financial statements filed with the Texas Ethics Commission.

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

SECTION 1.  Section 572.023(b), Government Code, as effective January 8, 2019, is amended 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 greatest number of shares of stock of any nonpublicly traded business entity held or acquired, and if sold, the category of the amount of net gain or loss realized from the sale;

(2-a) identification by stock symbol and the category of the number of shares of stock of any publicly traded corporation held;

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

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

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

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

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

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

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

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

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

(9)  identification:

(A)  by description of a corporation, firm, partnership, limited partnership, limited liability partnership, professional corporation, professional association, joint venture, or other business association in which five percent or more of the outstanding ownership was held, acquired, or sold; and

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

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

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

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

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

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

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

(B)  the date the trust was created;

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

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

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

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

(B)  to which the individual, the individual's spouse, the individual's dependent child, or any business entity of which the individual, the individual's spouse, or the individual's dependent child, independently or in conjunction with one or more persons described by this subsection, has at least a 50 percent ownership interest is a party; and

(C)  with:

(i)  a governmental entity; or

(ii)  a person who contracts with a governmental entity, if the individual or entity described by Paragraph (B) performs work arising out of the contract, subcontract, or agreement between the person and the governmental entity for a fee; and

(16)  if the individual is a member of the legislature and provides bond counsel services to an issuer, as defined by Section 1201.002(1), identification of the following for each issuance for which the individual served as bond counsel:

(A)  the amount of the issuance;

(B)  the name of the issuer;

(C)  the date of the issuance;

(D)  the amount of fees paid to the individual, and whether the amount is:

(i)  less than $5,000;

(ii)  at least $5,000 but less than $10,000;

(iii)  at least $10,000 but less than $25,000; or

(iv)  $25,000 or more; and

(E)  the amount of fees paid to the individual's firm, if applicable, and whether the amount is:

(i)  less than $5,000;

(ii)  at least $5,000 but less than $10,000;

(iii)  at least $10,000 but less than $25,000; or

(iv)  $25,000 or more.

SECTION 2.  Subchapter B, Chapter 572, Government Code, is amended by adding Section 572.0292 to read as follows:

Sec. 572.0292.  RECORDKEEPING REQUIRED. (a) Each individual who files with the commission a financial statement required by this subchapter shall maintain a record of the information that is necessary for filing the financial statement.

(b)  An individual required to maintain a record under this section shall preserve the record for at least three years beginning on the filing deadline for the financial statement containing the information in the record.

SECTION 3.  Section 572.032, Government Code, is amended by amending Subsection (a) and adding Subsection (d) to read as follows:

(a)  Financial statements filed under this subchapter are public records. The commission shall maintain the statements in separate alphabetical files and in a manner that is accessible to the public during regular office hours and make the statements available to the public on the commission's website not later than the 15th day after the date the statement is required to be filed or is actually filed, whichever is later.

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

SECTION 4.  Section 572.032(a-1), Government Code, as amended by Chapters 34 (S.B. 1576) and 983 (H.B. 776), Acts of the 85th Legislature, Regular Session, 2017, is reenacted and amended to read as follows:

(a-1)  The commission shall remove the home address, the telephone number, and the names of the dependent children of an individual from a financial statement filed by the individual under this subchapter before:

(1)  permitting a member of the public to view the statement;

(2)  providing a copy of the statement to a member of the public; or

(3)  making the statement available to the public on the commission's Internet website[~~, if the commission makes statements filed under this subchapter available on its website~~].

SECTION 5.  Section 572.032(b), Government Code, is repealed.

SECTION 6.  The changes in law made by this Act apply only to a financial statement due on or after the effective date of this Act. A financial statement due before the effective date of this Act is governed by the law in effect on the date the financial statement was due, and the former law is continued in effect for that purpose.

SECTION 7.  This Act takes effect September 1, 2019.