86R5190 BRG-D

By:  Turner of Tarrant H.B. No. 1438

A BILL TO BE ENTITLED

AN ACT

relating to the contents of and public access to personal financial statements filed by public officials and candidates.

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

SECTION 1.  Sections 572.022(a) and (d), Government Code, are amended to read as follows:

(a)  If an amount in a financial statement is required to be reported by category, the individual filing the statement shall report whether the amount is:

(1)  less than $200 [~~$5,000~~];

(2)  at least $200 [~~$5,000~~] but less than $1,000 [~~$10,000~~];

(3)  at least $1,000 [~~$10,000~~] but less than $2,500 [~~$25,000~~];

(4)  at least $2,500 but less than $5,000;

(5)  at least $5,000 but less than $15,000;

(6)  at least $15,000 but less than $50,000;

(7)  at least $50,000 but less than $100,000;

(8)  at least $100,000 but less than $1,000,000;

(9)  at least $1,000,000 but less than $5,000,000; or

(10)  $5,000,000 [~~(4)  $25,000~~] or more.

(d)  For a gift [~~of cash or a cash equivalent such as a negotiable instrument or gift certificate~~] that is reported in accordance with Section 572.023(b)(7), the individual filing the statement shall include in the description of the gift a statement of the value of the gift. If the reported gift is cash or a cash equivalent such as a negotiable instrument or gift certificate, the description must include the actual face value of the gift.

SECTION 2.  Sections 572.023(a) and (b), Government Code, are amended to read as follows:

(a)  A financial statement must include an account of the financial activity of the individual required by this subchapter to file a financial statement and an account of the financial activity of the individual's spouse and dependent children if the individual had actual control over that activity for:

(1)  the preceding calendar year; or

(2)  both the preceding calendar year and, listed separately, the year before the preceding calendar year, for information reported under Subsection (b)(1), (4), or (8).

(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 of and the category of the year-end book value of the interest in [~~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 name and the category of the year-end market value of any publicly traded securities 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 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, the date the liability was incurred, 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 year-end market value [~~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 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.  Sections 572.022(b) and 572.032(b), Government Code, are repealed.

SECTION 5.  The changes in law made by this Act to Sections 572.022 and 572.023, Government Code, apply only to a financial statement filed under Subchapter B, Chapter 572, Government Code, on or after January 1, 2021. A financial statement filed before January 1, 2021, is governed by the law in effect on the date of filing, and the former law is continued in effect for that purpose.

SECTION 6.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2019.