

By: Davis of Harris

H.B. No. 783

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the contents of and recordkeeping requirements relating  
3 to personal financial statements filed with the Texas Ethics  
4 Commission.

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

6 SECTION 1. Section 572.023(b), Government Code, as  
7 effective January 8, 2019, is amended to read as follows:

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

9 (1) a list of all sources of occupational income,  
10 identified by employer, or if self-employed, by the nature of the  
11 occupation, including identification of a person or other  
12 organization from which the individual or a business in which the  
13 individual has a substantial interest received a fee as a retainer  
14 for a claim on future services in case of need, as distinguished  
15 from a fee for services on a matter specified at the time of  
16 contracting for or receiving the fee, if professional or  
17 occupational services are not actually performed during the  
18 reporting period equal to or in excess of the amount of the  
19 retainer, and the category of the amount of the fee;

20 (2) identification by name and the category of the  
21 greatest number of shares of stock of any nonpublicly traded  
22 business entity held or acquired, and if sold, the category of the  
23 amount of net gain or loss realized from the sale;

24 (2-a) identification by stock symbol and the category

1 of the number of shares of stock of any publicly traded corporation  
2 held;

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

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

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

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

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

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

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

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

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

8 (9) identification:

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

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

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

1 association, joint venture, or other business association or  
2 proprietorship and the position held;

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

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

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

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

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

21 (B) the date the trust was created;

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

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

25 (i) the trustee has not revealed any  
26 information to the individual, except information that may be  
27 disclosed under Subdivision (8); and

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

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

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

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

16 (C) with:

17 (i) a governmental entity; or

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

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

27 (A) the amount of the issuance;

- 1 (B) the name of the issuer;
- 2 (C) the date of the issuance;
- 3 (D) the amount of fees paid to the individual,
- 4 and whether the amount is:
- 5 (i) less than \$5,000;
- 6 (ii) at least \$5,000 but less than \$10,000;
- 7 (iii) at least \$10,000 but less than
- 8 \$25,000; or
- 9 (iv) \$25,000 or more; and
- 10 (E) the amount of fees paid to the individual's
- 11 firm, if applicable, and whether the amount is:
- 12 (i) less than \$5,000;
- 13 (ii) at least \$5,000 but less than \$10,000;
- 14 (iii) at least \$10,000 but less than
- 15 \$25,000; or
- 16 (iv) \$25,000 or more.

17 SECTION 2. Subchapter B, Chapter 572, Government Code, is

18 amended by adding Section 572.0292 to read as follows:

19 Sec. 572.0292. RECORDKEEPING REQUIRED. (a) Each

20 individual who files with the commission a financial statement

21 required by this subchapter shall maintain a record of the

22 information that is necessary for filing the financial statement.

23 (b) An individual required to maintain a record under this

24 section shall preserve the record for at least three years

25 beginning on the filing deadline for the financial statement

26 containing the information in the record.

27 SECTION 3. Section 572.032, Government Code, is amended by

1 amending Subsection (a) and adding Subsection (d) to read as  
2 follows:

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

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

15 SECTION 4. Section 572.032(a-1), Government Code, as  
16 amended by Chapters 34 (S.B. 1576) and 983 (H.B. 776), Acts of the  
17 85th Legislature, Regular Session, 2017, is reenacted and amended  
18 to read as follows:

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

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

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

27 (3) making the statement available to the public on

1 the commission's Internet website[~~, if the commission makes~~  
2 ~~statements filed under this subchapter available on its website].~~

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

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

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