

By: Turner of Tarrant

H.B. No. 1438

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the contents of and public access to personal financial  
3 statements filed by public officials and candidates.

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

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

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

- 10 (1) less than \$200 [~~\$5,000~~];  
11 (2) at least \$200 [~~\$5,000~~] but less than \$1,000  
12 [~~\$10,000~~];  
13 (3) at least \$1,000 [~~\$10,000~~] but less than \$2,500  
14 [~~\$25,000~~];  
15 (4) at least \$2,500 but less than \$5,000;  
16 (5) at least \$5,000 but less than \$15,000;  
17 (6) at least \$15,000 but less than \$50,000;  
18 (7) at least \$50,000 but less than \$100,000;  
19 (8) at least \$100,000 but less than \$1,000,000;  
20 (9) at least \$1,000,000 but less than \$5,000,000; or  
21 (10) \$5,000,000 [~~(4) \$25,000~~] or more.

22 (d) For a gift [~~of cash or a cash equivalent such as a~~  
23 ~~negotiable instrument or gift certificate~~] that is reported in  
24 accordance with Section 572.023(b)(7), the individual filing the

1 statement shall include in the description of the gift a statement  
2 of the value of the gift. If the reported gift is cash or a cash  
3 equivalent such as a negotiable instrument or gift certificate, the  
4 description must include the actual face value of the gift.

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

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

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

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

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

1           (2) identification by name of and the category of the  
2 year-end book value of the interest in [~~number of shares of stock~~  
3 ~~of~~] any nonpublicly traded business entity held or acquired, and if  
4 sold, the category of the amount of net gain or loss realized from  
5 the sale;

6           (2-a) identification by name and the category of the  
7 year-end market value of any publicly traded securities held or  
8 acquired, and if sold, the category of the amount of net gain or  
9 loss realized from the sale;

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

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

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

17 (A) by description 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 five percent or more of the  
21 outstanding ownership was held, acquired, or sold; and

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

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

11           (11) identification of any person providing  
12 transportation, meals, or lodging expenses permitted under Section  
13 36.07(b), Penal Code, and the amount of those expenses, other than  
14 expenditures required to be reported under Chapter 305;

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

21           (13) identification by name and the category of the  
22 year-end market value [~~number of shares~~] of any mutual fund held or  
23 acquired, and if sold, the category of the amount of net gain or  
24 loss realized from the sale;

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

27           (A) the category of the fair market value of the

1 trust;

2 (B) the date the trust was created;

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

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

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

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

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

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

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

24 (C) with:

25 (i) a governmental entity; or

26 (ii) a person who contracts with a  
27 governmental entity, if the individual or entity described by

1 Paragraph (B) performs work arising out of the contract,  
2 subcontract, or agreement between the person and the governmental  
3 entity for a fee; and

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

8 (A) the amount of the issuance;

9 (B) the name of the issuer;

10 (C) the date of the issuance;

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

13 (i) less than \$5,000;

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

15 (iii) at least \$10,000 but less than  
16 \$25,000; or

17 (iv) \$25,000 or more; and

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

20 (i) less than \$5,000;

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

22 (iii) at least \$10,000 but less than  
23 \$25,000; or

24 (iv) \$25,000 or more.

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

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

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

13 SECTION 4. Sections 572.022(b) and 572.032(b), Government  
14 Code, are repealed.

15 SECTION 5. The changes in law made by this Act to Sections  
16 572.022 and 572.023, Government Code, apply only to a financial  
17 statement filed under Subchapter B, Chapter 572, Government Code,  
18 on or after January 1, 2021. A financial statement filed before  
19 January 1, 2021, is governed by the law in effect on the date of  
20 filing, and the former law is continued in effect for that purpose.

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