

By: Fallon

S.B. No. 862

A BILL TO BE ENTITLED

AN ACT

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

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

5 SECTION 1. Section 572.023(b), Government Code, is amended  
6 to read as follows:

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

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

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

23 (3) a list of all bonds, notes, and other commercial  
24 paper held or acquired, and if sold, the category of the amount of

1 net gain or loss realized from the sale;

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

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

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

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

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

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

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

26 (8) identification of the source and the category of  
27 the amount of all income received as beneficiary of a trust, other

1 than a blind trust that complies with Subsection (c), and  
2 identification of each trust asset, if known to the beneficiary,  
3 from which income was received by the beneficiary in excess of \$500;

4 (9) identification:

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

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

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

26 (11) identification of any person providing  
27 transportation, meals, or lodging expenses permitted under Section

1 36.07(b), Penal Code, and the amount of those expenses, other than  
2 expenditures required to be reported under Chapter 305;

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

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

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

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

17 (B) the date the trust was created;

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

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

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

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

26 (15) if the aggregate cost of goods or services sold  
27 under one or more written contracts described by this subdivision

1 exceeds \$10,000 in the year covered by the report, identification  
2 of each written contract, including the name of each party to the  
3 contract:

4 (A) for the sale of goods or services in the  
5 amount of \$2,500 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, independently or in conjunction with one or more  
10 persons described by this subsection, has at least a 50 percent  
11 ownership interest is a party; and

12 (C) with:

13 (i) a governmental entity; or

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

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

23 (A) the amount of the issuance;

24 (B) the name of the issuer;

25 (C) the date of the issuance;

26 (D) the amount of fees paid to the individual,

27 and whether the amount is:

- 1 (i) less than \$5,000;  
2 (ii) at least \$5,000 but less than \$10,000;  
3 (iii) at least \$10,000 but less than  
4 \$25,000; or  
5 (iv) \$25,000 or more; and

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

- 8 (i) less than \$5,000;  
9 (ii) at least \$5,000 but less than \$10,000;  
10 (iii) at least \$10,000 but less than  
11 \$25,000; or  
12 (iv) \$25,000 or more; and

13 (17) identification of any person related to the  
14 individual within the first degree of consanguinity or affinity, as  
15 determined under Subchapter B, Chapter 573, who engages in  
16 activities that require registration under Chapter 305.

17 SECTION 2. The change in law made by this Act to Section  
18 572.023, Government Code, applies only to a financial statement  
19 filed under Subchapter B, Chapter 572, Government Code, on or after  
20 January 1, 2021. A financial statement filed before January 1,  
21 2021, is governed by the law in effect on the date of filing, and the  
22 former law is continued in effect for that purpose.

23 SECTION 3. This Act takes effect September 1, 2019.