

1-1 By: Taylor of Collin S.B. No. 19
 1-2 (In the Senate - Filed March 13, 2015; March 16, 2015, read
 1-3 first time and referred to Committee on State Affairs;
 1-4 April 22, 2015, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 6, Nays 1; April 22, 2015,
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8 Huffman	X			
1-9 Ellis		X		
1-10 Birdwell	X			
1-11 Creighton	X			
1-12 Estes	X			
1-13 Fraser	X			
1-14 Nelson			X	
1-15 Schwertner	X			
1-16 Zaffirini			X	

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 19 By: Creighton

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to the ethics of public officers and related requirements;
 1-22 creating criminal offenses.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 ARTICLE 1. DISCLOSURE OF CONTRACTS WITH GOVERNMENTAL ENTITIES

1-25 SECTION 1.01. Section 572.023, Government Code, is amended
 1-26 by amending Subsection (b) and adding Subsection (e) to read as
 1-27 follows:

1-28 (b) The account of financial activity consists of:

1-29 (1) a list of all sources of occupational income,
 1-30 identified by employer, or if self-employed, by the nature of the
 1-31 occupation, including identification of a person or other
 1-32 organization from which the individual or a business in which the
 1-33 individual has a substantial interest received a fee as a retainer
 1-34 for a claim on future services in case of need, as distinguished
 1-35 from a fee for services on a matter specified at the time of
 1-36 contracting for or receiving the fee, if professional or
 1-37 occupational services are not actually performed during the
 1-38 reporting period equal to or in excess of the amount of the
 1-39 retainer, and the category of the amount of the fee;

1-40 (2) identification by name and the category of the
 1-41 number of shares of stock of any business entity held or acquired,
 1-42 and if sold, the category of the amount of net gain or loss realized
 1-43 from the sale;

1-44 (3) a list of all bonds, notes, and other commercial
 1-45 paper held or acquired, and if sold, the category of the amount of
 1-46 net gain or loss realized from the sale;

1-47 (4) identification of each source and the category of
 1-48 the amount of income in excess of \$500 derived from each source from
 1-49 interest, dividends, royalties, and rents;

1-50 (5) identification of each guarantor of a loan and
 1-51 identification of each person or financial institution to whom a
 1-52 personal note or notes or lease agreement for a total financial
 1-53 liability in excess of \$1,000 existed at any time during the year
 1-54 and the category of the amount of the liability;

1-55 (6) identification by description of all beneficial
 1-56 interests in real property and business entities held or acquired,
 1-57 and if sold, the category of the amount of the net gain or loss
 1-58 realized from the sale;

1-59 (7) identification of a person or other organization
 1-60 from which the individual or the individual's spouse or dependent

2-1 children received a gift of anything of value in excess of \$250 and
 2-2 a description of each gift, except:

2-3 (A) a gift received from an individual related to
 2-4 the individual at any time within the second degree by
 2-5 consanguinity or affinity, as determined under Subchapter B,
 2-6 Chapter 573;

2-7 (B) a political contribution that was reported as
 2-8 required by Chapter 254, Election Code; and

2-9 (C) an expenditure required to be reported by a
 2-10 person required to be registered under Chapter 305;

2-11 (8) identification of the source and the category of
 2-12 the amount of all income received as beneficiary of a trust, other
 2-13 than a blind trust that complies with Subsection (c), and
 2-14 identification of each trust asset, if known to the beneficiary,
 2-15 from which income was received by the beneficiary in excess of \$500;

2-16 (9) identification by description and the category of
 2-17 the amount of all assets and liabilities of a corporation, firm,
 2-18 partnership, limited partnership, limited liability partnership,
 2-19 professional corporation, professional association, joint venture,
 2-20 or other business association in which 50 percent or more of the
 2-21 outstanding ownership was held, acquired, or sold;

2-22 (10) a list of all boards of directors of which the
 2-23 individual is a member and executive positions that the individual
 2-24 holds in corporations, firms, partnerships, limited partnerships,
 2-25 limited liability partnerships, professional corporations,
 2-26 professional associations, joint ventures, or other business
 2-27 associations or proprietorships, stating the name of each
 2-28 corporation, firm, partnership, limited partnership, limited
 2-29 liability partnership, professional corporation, professional
 2-30 association, joint venture, or other business association or
 2-31 proprietorship and the position held;

2-32 (11) identification of any person providing
 2-33 transportation, meals, or lodging expenses permitted under Section
 2-34 36.07(b), Penal Code, and the amount of those expenses, other than
 2-35 expenditures required to be reported under Chapter 305;

2-36 (12) any corporation, firm, partnership, limited
 2-37 partnership, limited liability partnership, professional
 2-38 corporation, professional association, joint venture, or other
 2-39 business association, excluding a publicly held corporation, in
 2-40 which both the individual and a person registered under Chapter 305
 2-41 have an interest;

2-42 (13) identification by name and the category of the
 2-43 number of shares of any mutual fund held or acquired, and if sold,
 2-44 the category of the amount of net gain or loss realized from the
 2-45 sale; ~~and~~

2-46 (14) identification of each blind trust that complies
 2-47 with Subsection (c), including:

2-48 (A) the category of the fair market value of the
 2-49 trust;

2-50 (B) the date the trust was created;

2-51 (C) the name and address of the trustee; and

2-52 (D) a statement signed by the trustee, under
 2-53 penalty of perjury, stating that:

2-54 (i) the trustee has not revealed any
 2-55 information to the individual, except information that may be
 2-56 disclosed under Subdivision (8); and

2-57 (ii) to the best of the trustee's knowledge,
 2-58 the trust complies with this section;

2-59 (15) if the aggregate cost of goods or services sold
 2-60 under one or more written contracts described by this subdivision
 2-61 exceeds \$10,000 in the year covered by the report, identification
 2-62 of each written contract, including the name of each party to the
 2-63 contract:

2-64 (A) for the sale of:

2-65 (i) goods in the amount of \$2,500 or more;

2-66 or

2-67 (ii) services, including professional
 2-68 services as defined by Section 2254.002, consulting services as
 2-69 defined by Section 2254.021, or legal counsel, in the amount of

3-1 \$5,000 or more;
 3-2 (B) to which the individual or any business
 3-3 entity of which the individual has at least a 50 percent ownership
 3-4 interest is a party; and
 3-5 (C) with:
 3-6 (i) a governmental entity; or
 3-7 (ii) a person who contracts with a
 3-8 governmental entity, to fulfill one or more of the person's
 3-9 obligations to the governmental entity under that contract; and
 3-10 (16) if the individual is a member of the legislature
 3-11 and provides bond counsel services to an issuer, as defined by
 3-12 Section 1201.002(1), identification of the following for each
 3-13 issuance for which the individual served as bond counsel:
 3-14 (A) the amount of the issuance;
 3-15 (B) the name of the issuer;
 3-16 (C) the date of the issuance;
 3-17 (D) the amount of fees paid to the individual,
 3-18 and whether the amount is:
 3-19 (i) less than \$5,000;
 3-20 (ii) at least \$5,000 but less than \$10,000;
 3-21 (iii) at least \$10,000 but less than
 3-22 \$25,000; or
 3-23 (iv) \$25,000 or more; and
 3-24 (E) the amount of fees paid to the individual's
 3-25 firm, if applicable, and whether the amount is:
 3-26 (i) less than \$5,000;
 3-27 (ii) at least \$5,000 but less than \$10,000;
 3-28 (iii) at least \$10,000 but less than
 3-29 \$25,000; or
 3-30 (iv) \$25,000 or more.
 3-31 (e) In this section, "governmental entity" means the state,
 3-32 a political subdivision of the state, or an agency or department of
 3-33 the state or a political subdivision of the state.
 3-34 SECTION 1.02. Subchapter B, Chapter 572, Government Code,
 3-35 is amended by adding Section 572.0295 to read as follows:
 3-36 Sec. 572.0295. PERSONAL FINANCIAL STATEMENT. (a) A person
 3-37 who files a report under this chapter may amend the report.
 3-38 (b) A report that is amended before the eighth day after the
 3-39 date the original report was filed is considered to have been filed
 3-40 on the date on which the original report was filed.
 3-41 (c) A report that is amended on or after the eighth day after
 3-42 the original report was filed is considered to have been filed on
 3-43 the date on which the original report was filed if:
 3-44 (1) the amendment is made before any complaint is
 3-45 filed with regard to the subject of the amendment; and
 3-46 (2) the original report was made in good faith and
 3-47 without an intent to mislead or to misrepresent the information
 3-48 contained in the report.
 3-49 ARTICLE 2. CONFLICTS OF INTEREST
 3-50 SECTION 2.01. Section 141.001, Election Code, is amended by
 3-51 amending Subsection (a) and adding Subsections (d) and (e) to read
 3-52 as follows:
 3-53 (a) To be eligible to be a candidate for, or elected or
 3-54 appointed to, a public elective office in this state, a person must:
 3-55 (1) be a United States citizen;
 3-56 (2) be 18 years of age or older on the first day of the
 3-57 term to be filled at the election or on the date of appointment, as
 3-58 applicable;
 3-59 (3) have not been determined by a final judgment of a
 3-60 court exercising probate jurisdiction to be:
 3-61 (A) totally mentally incapacitated; or
 3-62 (B) partially mentally incapacitated without the
 3-63 right to vote;
 3-64 (4) have not been finally convicted of a felony from
 3-65 which the person has not been pardoned or otherwise released from
 3-66 the resulting disabilities;
 3-67 (5) have resided continuously in the state for 12
 3-68 months and in the territory from which the office is elected for six
 3-69 months immediately preceding the following date:

4-1 (A) for a candidate whose name is to appear on a
4-2 general primary election ballot, the date of the regular filing
4-3 deadline for a candidate's application for a place on the ballot;

4-4 (B) for an independent candidate, the date of the
4-5 regular filing deadline for a candidate's application for a place
4-6 on the ballot;

4-7 (C) for a write-in candidate, the date of the
4-8 election at which the candidate's name is written in;

4-9 (D) for a party nominee who is nominated by any
4-10 method other than by primary election, the date the nomination is
4-11 made; and

4-12 (E) for an appointee to an office, the date the
4-13 appointment is made; ~~and~~

4-14 (6) not be required to be registered as a lobbyist
4-15 under Chapter 305, Government Code; and

4-16 (7) satisfy any other eligibility requirements
4-17 prescribed by law for the office.

4-18 (d) Except as provided by Section 7.103(c), Education Code,
4-19 Subsection (a)(6) does not apply to:

4-20 (1) an office of a political subdivision with a
4-21 population of 150,000 or less, other than the office of presiding
4-22 officer of the governing body of the political subdivision,
4-23 provided that the officeholder does not receive a salary or wage for
4-24 that office; or

4-25 (2) the office of the presiding officer of the
4-26 governing body of a political subdivision with a population of
4-27 50,000 or less, provided that the presiding officer does not
4-28 receive a salary or wage for that office.

4-29 (e) In Subsection (d), a presiding officer or other
4-30 officeholder is not considered to have received a salary or wage if
4-31 the officeholder refuses to accept a salary or wage offered or
4-32 budgeted for that office.

4-33 SECTION 2.02. Subchapter A, Chapter 305, Government Code,
4-34 is amended by adding Section 305.0031 to read as follows:

4-35 Sec. 305.0031. CERTAIN ELECTED OFFICERS MAY NOT REGISTER.

4-36 (a) A member of Congress, a member of the legislature, or a holder
4-37 of a statewide office may not register under this chapter.

4-38 (b) A registration under this chapter expires on the date a
4-39 person takes office as a member of Congress, a member of the
4-40 legislature, or a holder of a statewide office.

4-41 SECTION 2.03. Subchapter C, Chapter 572, Government Code,
4-42 is amended by adding Sections 572.062 and 572.063 to read as
4-43 follows:

4-44 Sec. 572.062. FORMER LEGISLATOR: LOBBYING RESTRICTED;
4-45 CRIMINAL OFFENSE. (a) In this section:

4-46 (1) "Administrative action," "communicates directly
4-47 with," "legislation," "member of the executive branch," and "member
4-48 of the legislative branch" have the meanings assigned by Section
4-49 305.002.

4-50 (2) "Legislative cycle" means the two-year period
4-51 beginning on the first day of a regular legislative session and
4-52 ending on the day before the first day of the succeeding regular
4-53 legislative session.

4-54 (b) Except as provided by Subsection (c), a former member of
4-55 the legislature may not engage in activities that require
4-56 registration under Chapter 305 before the end of the legislative
4-57 cycle following the legislative cycle in which the former member
4-58 last served as a member of the legislature.

4-59 (c) Subsection (b) does not apply to a former member who
4-60 does not receive compensation other than reimbursement for actual
4-61 expenses for communicating directly with a member of the
4-62 legislative or executive branch to influence legislation or
4-63 administrative action.

4-64 (d) A former member who violates this section commits an
4-65 offense. An offense under this section is a Class A misdemeanor.

4-66 Sec. 572.063. CERTAIN REFERRALS FOR LEGAL SERVICES
4-67 PROHIBITED; CRIMINAL OFFENSE. (a) A member of the legislature or
4-68 an executive officer elected in a statewide election who is a member
4-69 of the State Bar of Texas or who is licensed to practice law in

5-1 another state or a United States territory may not make or receive
5-2 any referral for legal services for monetary compensation or any
5-3 other benefit.

5-4 (b) As used in this section, a "referral for legal services"
5-5 does not include referrals for a real estate transaction as defined
5-6 by Section 31.001, Natural Resources Code.

5-7 (c) A person commits an offense if the person violates this
5-8 section. An offense under this section is a Class B misdemeanor.

5-9 SECTION 2.04. Chapter 601, Government Code, is amended by
5-10 adding Section 601.009 to read as follows:

5-11 Sec. 601.009. ELECTED OFFICER MAY NOT BE REGISTERED
5-12 LOBBYIST. (a) A person may not qualify for a public elective
5-13 office if the person is required to be registered as a lobbyist
5-14 under Chapter 305.

5-15 (b) Except as provided by Section 7.103(c), Education Code,
5-16 Subsection (a) does not apply to:

5-17 (1) an office for which the federal or state
5-18 constitution prescribes exclusive qualification requirements;

5-19 (2) an office of a political subdivision with a
5-20 population of 150,000 or less, other than the office of presiding
5-21 officer of the governing body of the political subdivision,
5-22 provided that the officeholder does not receive a salary or wage for
5-23 that office; or

5-24 (3) the office of the presiding officer of the
5-25 governing body of a political subdivision with a population of
5-26 50,000 or less, provided that the presiding officer does not
5-27 receive a salary or wage for that office.

5-28 (c) In Subsection (b), a presiding officer or other
5-29 officeholder is not considered to have received a salary or wage if
5-30 the officeholder refuses to accept a salary or wage offered or
5-31 budgeted for that office.

5-32 ARTICLE 3. TRANSITION; EFFECTIVE DATE

5-33 SECTION 3.01. (a) The changes in law made by this Act in
5-34 amending Section 141.001(a), Election Code, and in adding Section
5-35 601.009, Government Code, apply only to the eligibility and
5-36 qualification requirements for a candidate, officer, or employee
5-37 whose term of office or employment will begin on or after the
5-38 effective date of this Act. The eligibility and qualification
5-39 requirements for a candidate, officer, or employee whose term of
5-40 office or employment will begin before the effective date of this
5-41 Act are governed by the law in effect immediately before the
5-42 effective date of this Act, and the former law is continued in
5-43 effect for that purpose.

5-44 (b) Section 572.062, Government Code, as added by this Act,
5-45 does not apply to a person who was a member of the legislature on
5-46 June 1, 2015, unless the member assumes an office other than a
5-47 legislative office after the effective date of this Act.

5-48 (c) Section 572.063, Government Code, as added by this Act,
5-49 applies only to conduct that occurred on or after the effective date
5-50 of this Act. Conduct that occurred before the effective date of
5-51 this Act is governed by the law in effect on the date the conduct
5-52 occurred, and the former law is continued in effect for that
5-53 purpose.

5-54 SECTION 3.02. This Act takes effect January 10, 2017.

5-55 * * * * *