

By: Capriglione, Button, González of El Paso,
Fallon

H.B. No. 501

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the disclosure of certain contracts, agreements,
3 services, and compensation in personal financial statements filed
4 by public officers and candidates.

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

6 SECTION 1. Section [572.023](#), Government Code, is amended by
7 amending Subsection (b) and adding Subsections (e), (f), and (g) to
8 read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

6 (9) identification:

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

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

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

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

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

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

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

17 (A) the category of the fair market value of the
18 trust;

19 (B) the date the trust was created;

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

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

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

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

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

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

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

14 (C) with:

15 (i) a governmental entity; or

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

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

25 (A) the amount of the issuance;

26 (B) the name of the issuer;

27 (C) the date of the issuance;

1 (D) the amount of fees paid to the individual,
2 and whether the amount is:

- 3 (i) less than \$5,000;
4 (ii) at least \$5,000 but less than \$10,000;
5 (iii) at least \$10,000 but less than
6 \$25,000; or
7 (iv) \$25,000 or more; and

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

- 10 (i) less than \$5,000;
11 (ii) at least \$5,000 but less than \$10,000;
12 (iii) at least \$10,000 but less than
13 \$25,000; or
14 (iv) \$25,000 or more.

15 (e) In this section, "governmental entity" means this
16 state, a political subdivision of the state, or an agency or
17 department of the state or a political subdivision of the state.

18 (f) Subsection (b)(15) does not require the disclosure of an
19 employment contract between a school district or open-enrollment
20 charter school and an employee of the district or school.

21 (g) An individual who complies with any applicable
22 requirements of Sections 51.954 and 51.955, Education Code, and
23 Section 2252.908 of this code, in an individual capacity or as a
24 member or employee of an entity to which those sections apply, is
25 not required to include in the account of financial activity the
26 information described by Subsection (b)(15) unless specifically
27 requested by the commission to include the information.

1 SECTION 2. Section 572.0252, Government Code, is amended to
2 read as follows:

3 Sec. 572.0252. INFORMATION ABOUT REFERRALS. (a) A state
4 officer [~~who is an attorney~~] shall report on the financial
5 statement, unless otherwise confidential or privileged:

6 (1) agreements with a governmental entity, as defined
7 by Section 572.023(e), for making or receiving any referral for
8 compensation for [~~legal~~] services, if the state officer personally
9 enters into the agreement or directly performs the services; [~~and~~]

10 (2) the date the referral is made or received;

11 (3) the style of the case referred, if applicable; and

12 (4) the percentage of the fee paid or received that was
13 agreed to between the parties to the referral as the referral fee,
14 or if the referral fee is not determined as a percentage of the fee
15 for services, the agreed amount of the fee paid or received [~~the~~
16 category of the amount of any fee accepted for making a referral for
17 legal services].

18 (b) Subsection (a) does not apply to a judicial appointment
19 made in a civil, family, or criminal proceeding, including an
20 appointment as a guardian ad litem or attorney ad litem.

21 SECTION 3. The changes in law made by this Act to Section
22 572.0252, Government Code, apply only to an agreement for making or
23 receiving a referral entered into on or after the effective date of
24 this Act. An agreement entered into before the effective date of
25 this Act is governed by the law in effect when the agreement was
26 entered into, and the former law is continued in effect for that
27 purpose.

1 SECTION 4. The changes in law made by this Act to Subchapter
2 B, Chapter 572, Government Code, apply only to a financial
3 statement filed under Subchapter B, Chapter 572, Government Code,
4 as amended by this Act, on or after January 8, 2019. A financial
5 statement filed before January 8, 2019, is governed by the law in
6 effect on the date of filing, and the former law is continued in
7 effect for that purpose.

8 SECTION 5. This Act takes effect January 8, 2019.