

By: Capriglione

H.B. No. 501

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the disclosure of certain contracts, services, and
3 compensation in personal financial statements filed by public
4 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) and (f) to read
8 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 by description and the category of
7 the amount of all assets and liabilities 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 50 percent or more of the
11 outstanding ownership was held, acquired, or sold;

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

22 (11) identification of any person providing
23 transportation, meals, or lodging expenses permitted under Section
24 [36.07\(b\)](#), Penal Code, and the amount of those expenses, other than
25 expenditures required to be reported under Chapter 305;

26 (12) any corporation, firm, partnership, limited
27 partnership, limited liability partnership, professional

1 corporation, professional association, joint venture, or other
2 business association, excluding a publicly held corporation, in
3 which both the individual and a person registered under Chapter 305
4 have an interest;

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

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

11 (A) the category of the fair market value of the
12 trust;

13 (B) the date the trust was created;

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

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

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

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

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

27 (A) for the sale of goods or services in the

1 amount of \$2,500 or more;

2 (B) to which the individual, the individual's
3 spouse, the individual's dependent child, or any business entity of
4 which the individual, the individual's spouse, or the individual's
5 dependent child has at least a 50 percent ownership interest is a
6 party; and

7 (C) with:

8 (i) a governmental entity; or

9 (ii) a person who contracts with a
10 governmental entity, in accordance with the contract between the
11 person contracting with the governmental entity and the individual
12 or entity described by Paragraph (B); and

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

17 (A) the amount of the issuance;

18 (B) the name of the issuer;

19 (C) the date of the issuance;

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

21 and whether the amount is:

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

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

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

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

27 (E) the amount of fees paid to the individual's

1 firm, if applicable, and whether the amount is:

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

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

4 (iii) at least \$10,000 but less than
5 \$25,000; or

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

7 (e) In this section, "governmental entity" means this
8 state, a political subdivision of the state, or an agency or
9 department of the state or a political subdivision of the state.

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

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

15 Sec. 572.0252. INFORMATION ABOUT LEGAL REFERRALS. A state
16 officer who is an attorney shall report on the financial statement:

17 (1) making or receiving any referral for compensation
18 for legal services; ~~and~~

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

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

21 (4) the percentage of the legal fee paid or received

22 that was agreed to between the parties to the referral as the
23 referral fee, or if the referral fee is not determined as a
24 percentage of the legal fee, the agreed amount of the fee paid or
25 received ~~[the category of the amount of any fee accepted for making~~
26 ~~a referral for legal services]~~.

27 SECTION 3. The changes in law made by this Act to Subchapter

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

7 SECTION 4. This Act takes effect January 8, 2019.