

1-1 By: Taylor of Collin S.B. No. 501
 1-2 (In the Senate - Filed January 25, 2017; January 30, 2017,
 1-3 read first time and referred to Committee on State Affairs;
 1-4 February 2, 2017, reported favorably by the following vote:
 1-5 Yeas 9, Nays 0; February 2, 2017, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Huffman	X			
1-8 Hughes	X			
1-9 Birdwell	X			
1-10 Creighton	X			
1-11 Estes	X			
1-12 Lucio	X			
1-13 Nelson	X			
1-14 Schwertner	X			
1-15 Zaffirini	X			

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to the disclosure of certain contracts, services, and
 1-20 compensation in personal financial statements filed by public
 1-21 officers and candidates.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-23 SECTION 1. Section 572.023, Government Code, is amended by
 1-24 amending Subsection (b) and adding Subsections (e) and (f) to read
 1-25 as follows:

1-26 (b) The account of financial activity consists of:

1-27 (1) a list of all sources of occupational income,
 1-28 identified by employer, or if self-employed, by the nature of the
 1-29 occupation, including identification of a person or other
 1-30 organization from which the individual or a business in which the
 1-31 individual has a substantial interest received a fee as a retainer
 1-32 for a claim on future services in case of need, as distinguished
 1-33 from a fee for services on a matter specified at the time of
 1-34 contracting for or receiving the fee, if professional or
 1-35 occupational services are not actually performed during the
 1-36 reporting period equal to or in excess of the amount of the
 1-37 retainer, and the category of the amount of the fee;

1-38 (2) identification by name and the category of the
 1-39 number of shares of stock of any business entity held or acquired,
 1-40 and if sold, the category of the amount of net gain or loss realized
 1-41 from the sale;

1-42 (3) a list of all bonds, notes, and other commercial
 1-43 paper held or acquired, and if sold, the category of the amount of
 1-44 net gain or loss realized from the sale;

1-45 (4) identification of each source and the category of
 1-46 the amount of income in excess of \$500 derived from each source from
 1-47 interest, dividends, royalties, and rents;

1-48 (5) identification of each guarantor of a loan and
 1-49 identification of each person or financial institution to whom a
 1-50 personal note or notes or lease agreement for a total financial
 1-51 liability in excess of \$1,000 existed at any time during the year
 1-52 and the category of the amount of the liability;

1-53 (6) identification by description of all beneficial
 1-54 interests in real property and business entities held or acquired,
 1-55 and if sold, the category of the amount of the net gain or loss
 1-56 realized from the sale;

1-57 (7) identification of a person or other organization
 1-58 from which the individual or the individual's spouse or dependent
 1-59 children received a gift of anything of value in excess of \$250 and
 1-60 a description of each gift, except:

1-61 (A) a gift received from an individual related to

2-1 the individual at any time within the second degree by
 2-2 consanguinity or affinity, as determined under Subchapter B,
 2-3 Chapter 573;

2-4 (B) a political contribution that was reported as
 2-5 required by Chapter 254, Election Code; and

2-6 (C) an expenditure required to be reported by a
 2-7 person required to be registered under Chapter 305;

2-8 (8) identification of the source and the category of
 2-9 the amount of all income received as beneficiary of a trust, other
 2-10 than a blind trust that complies with Subsection (c), and
 2-11 identification of each trust asset, if known to the beneficiary,
 2-12 from which income was received by the beneficiary in excess of \$500;

2-13 (9) identification by description and the category of
 2-14 the amount of all assets and liabilities of a corporation, firm,
 2-15 partnership, limited partnership, limited liability partnership,
 2-16 professional corporation, professional association, joint venture,
 2-17 or other business association in which 50 percent or more of the
 2-18 outstanding ownership was held, acquired, or sold;

2-19 (10) a list of all boards of directors of which the
 2-20 individual is a member and executive positions that the individual
 2-21 holds in corporations, firms, partnerships, limited partnerships,
 2-22 limited liability partnerships, professional corporations,
 2-23 professional associations, joint ventures, or other business
 2-24 associations or proprietorships, stating the name of each
 2-25 corporation, firm, partnership, limited partnership, limited
 2-26 liability partnership, professional corporation, professional
 2-27 association, joint venture, or other business association or
 2-28 proprietorship and the position held;

2-29 (11) identification of any person providing
 2-30 transportation, meals, or lodging expenses permitted under Section
 2-31 36.07(b), Penal Code, and the amount of those expenses, other than
 2-32 expenditures required to be reported under Chapter 305;

2-33 (12) any corporation, firm, partnership, limited
 2-34 partnership, limited liability partnership, professional
 2-35 corporation, professional association, joint venture, or other
 2-36 business association, excluding a publicly held corporation, in
 2-37 which both the individual and a person registered under Chapter 305
 2-38 have an interest;

2-39 (13) identification by name and the category of the
 2-40 number of shares of any mutual fund held or acquired, and if sold,
 2-41 the category of the amount of net gain or loss realized from the
 2-42 sale; ~~and~~

2-43 (14) identification of each blind trust that complies
 2-44 with Subsection (c), including:

2-45 (A) the category of the fair market value of the
 2-46 trust;

2-47 (B) the date the trust was created;

2-48 (C) the name and address of the trustee; and

2-49 (D) a statement signed by the trustee, under
 2-50 penalty of perjury, stating that:

2-51 (i) the trustee has not revealed any
 2-52 information to the individual, except information that may be
 2-53 disclosed under Subdivision (8); and

2-54 (ii) to the best of the trustee's knowledge,
 2-55 the trust complies with this section;

2-56 (15) if the aggregate cost of goods or services sold
 2-57 under one or more written contracts described by this subdivision
 2-58 exceeds \$10,000 in the year covered by the report, identification
 2-59 of each written contract, including the name of each party to the
 2-60 contract:

2-61 (A) for the sale of goods or services in the
 2-62 amount of \$2,500 or more;

2-63 (B) to which the individual, the individual's
 2-64 spouse, the individual's dependent child, or any business entity of
 2-65 which the individual, the individual's spouse, or the individual's
 2-66 dependent child has at least a 50 percent ownership interest is a
 2-67 party; and

2-68 (C) with:

2-69 (i) a governmental entity; or

3-1 (ii) a person who contracts with a
3-2 governmental entity, in accordance with the contract between the
3-3 person contracting with the governmental entity and the individual
3-4 or entity described by Paragraph (B); and

3-5 (16) if the individual is a member of the legislature
3-6 and provides bond counsel services to an issuer, as defined by
3-7 Section 1201.002(1), identification of the following for each
3-8 issuance for which the individual served as bond counsel:

- 3-9 (A) the amount of the issuance;
- 3-10 (B) the name of the issuer;
- 3-11 (C) the date of the issuance;
- 3-12 (D) the amount of fees paid to the individual,
- 3-13 and whether the amount is:

- 3-14 (i) less than \$5,000;
- 3-15 (ii) at least \$5,000 but less than \$10,000;
- 3-16 (iii) at least \$10,000 but less than
- 3-17 \$25,000; or

- 3-18 (iv) \$25,000 or more; and
- 3-19 (E) the amount of fees paid to the individual's
- 3-20 firm, if applicable, and whether the amount is:

- 3-21 (i) less than \$5,000;
- 3-22 (ii) at least \$5,000 but less than \$10,000;
- 3-23 (iii) at least \$10,000 but less than
- 3-24 \$25,000; or

- 3-25 (iv) \$25,000 or more.
- 3-26 (e) In this section, "governmental entity" means this
- 3-27 state, a political subdivision of the state, or an agency or
- 3-28 department of the state or a political subdivision of the state.

3-29 (f) Subsection (b)(15) does not require the disclosure of an
3-30 employment contract between a school district or open-enrollment
3-31 charter school and an employee of the district or school.

3-32 SECTION 2. Section 572.0252, Government Code, is amended to
3-33 read as follows:

3-34 Sec. 572.0252. INFORMATION ABOUT LEGAL REFERRALS. A state
3-35 officer who is an attorney shall report on the financial statement:

- 3-36 (1) making or receiving any referral for compensation
- 3-37 for legal services; ~~and~~
- 3-38 (2) the date the referral is made or received;
- 3-39 (3) the style of the case referred, if applicable; and
- 3-40 (4) the percentage of the legal fee paid or received

3-41 that was agreed to between the parties to the referral as the
3-42 referral fee or, if the referral fee is not determined as a
3-43 percentage of the legal fee, the agreed amount of the fee paid or
3-44 received ~~[the category of the amount of any fee accepted for making~~
3-45 ~~a referral for legal services]~~.

3-46 SECTION 3. The changes in law made by this Act to Subchapter
3-47 B, Chapter 572, Government Code, apply only to a financial
3-48 statement filed under Subchapter B, Chapter 572, Government Code,
3-49 as amended by this Act, on or after January 8, 2019. A financial
3-50 statement filed before January 8, 2019, is governed by the law in
3-51 effect on the date of filing, and the former law is continued in
3-52 effect for that purpose.

3-53 SECTION 4. This Act takes effect January 8, 2019.

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