

Chapter 439

H.B. No. 501

AN ACT

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

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

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

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

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

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

1 from the sale;

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

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

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

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

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

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

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

27 (C) an expenditure required to be reported by a

1 person required to be registered under Chapter 305;

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

7 (9) identification:

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

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

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

1 proprietorship and the position held;

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

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

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

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

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

20 (B) the date the trust was created;

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

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

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

27 (ii) to the best of the trustee's knowledge,

1 the trust complies with this section;

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

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

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

15 (C) with:

16 (i) a governmental entity; or

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

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

26 (A) the amount of the issuance;

27 (B) the name of the issuer;

1 (C) the date of the issuance;

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

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

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

6 (iii) at least \$10,000 but less than
7 \$25,000; or

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

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

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

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

13 (iii) at least \$10,000 but less than
14 \$25,000; or

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

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

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

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

1 requested by the commission to include the information.

2 SECTION 2. Subchapter B, Chapter 572, Government Code, is
3 amended by adding Section 572.0295 to read as follows:

4 Sec. 572.0295. AMENDMENT OF FINANCIAL STATEMENT. (a) A
5 person who files a financial statement under this chapter may amend
6 the person's statement.

7 (b) A financial statement that is amended is considered to
8 have been filed on the date on which the original statement was
9 filed if:

10 (1) the amendment is made on or before the 14th day
11 after the date the person filing the statement learns of an error or
12 omission in the original statement;

13 (2) the original financial statement was made in good
14 faith and without an intent to mislead or to misrepresent the
15 information contained in the statement; and

16 (3) the person filing the amendment accompanies the
17 amendment with a declaration that:

18 (A) the person became aware of the error or
19 omission in the original statement during the preceding 14 days;
20 and

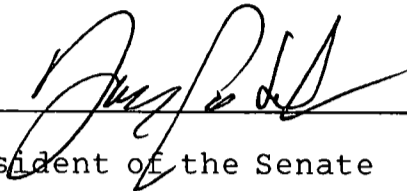
21 (B) the original statement was made in good faith
22 and without intent to mislead or to misrepresent the information
23 contained in the statement.

24 SECTION 3. The changes in law made by this Act to Subchapter
25 B, Chapter 572, Government Code, apply only to a financial
26 statement filed under Subchapter B, Chapter 572, Government Code,
27 as amended by this Act, on or after January 8, 2019. A financial

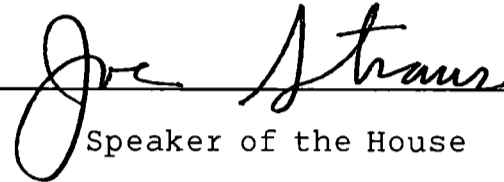
H.B. No. 501

1 statement filed before January 8, 2019, is governed by the law in
2 effect on the date of filing, and the former law is continued in
3 effect for that purpose.

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

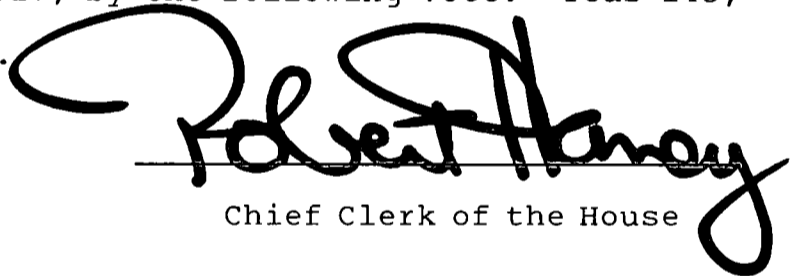


President of the Senate



Speaker of the House

I certify that H.B. No. 501 was passed by the House on May 3, 2017, by the following vote: Yeas 147, Nays 0, 2 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 501 on May 24, 2017, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 501 on May 28, 2017, by the following vote: Yeas 148, Nays 1, 1 present, not voting.

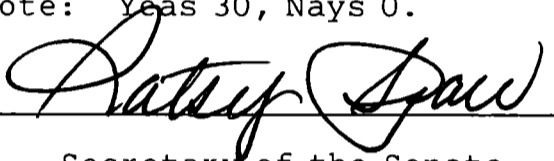


Chief Clerk of the House

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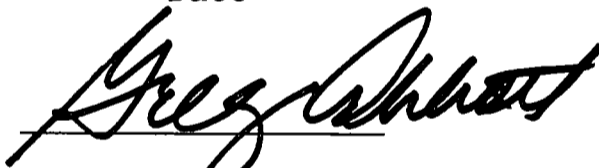
H.B. No. 501

I certify that H.B. No. 501 was passed by the Senate, with amendments, on May 22, 2017, by the following vote: Yeas 30, Nays 0; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 501 on May 28, 2017, by the following vote: Yeas 30, Nays 0.

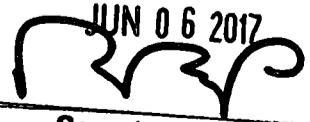

Secretary of the Senate

APPROVED: 6-6-2017

Date


Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
2:15 PM O'CLOCK

JUN 06 2017

Secretary of State

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 27, 2017

TO: Honorable Dan Patrick, Lieutenant Governor, Senate
Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB501 by Capriglione (Relating to personal financial statements filed by public officers and candidates, including the disclosure of certain contracts, agreements, services, and compensation in and the amendment of those statements.), **Conference Committee Report**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend the Government Code and the Election Code relating to the disclosure of certain contracts, services, and compensation in personal financial statements filed by public officers and candidates.

Based on information provided by the Ethics Commission, this analysis assumes that any costs associated with implementing the bill could be absorbed within existing resources.

The bill would take effect January 8, 2019 and would apply to financial statements filed on or after January 8, 2019.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 356 Texas Ethics Commission

LBB Staff: UP, SD, KK, NV, GGo, AG

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 22, 2017

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB501 by Capriglione (Relating to the disclosure of certain contracts, services, and compensation in personal financial statements filed by public officers and candidates.),
As Passed 2nd House

No significant fiscal implication to the State is anticipated.

The bill would amend the Government Code and the Election Code relating to the disclosure of certain contracts, services, and compensation in personal financial statements filed by public officers and candidates.

Based on information provided by the Ethics Commission, this analysis assumes that any costs associated with implementing the bill could be absorbed within existing resources.

The bill would take effect January 8, 2019 and would apply to financial statements filed on or after January 8, 2019.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 356 Texas Ethics Commission

LBB Staff: UP, SD, KK, NV, GGo, AG

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 19, 2017

TO: Honorable Joan Huffman, Chair, Senate Committee on State Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB501** by Capriglione (Relating to the disclosure of certain contracts, services, and compensation in personal financial statements filed by public officers and candidates.),
Committee Report 2nd House, Substituted

No significant fiscal implication to the State is anticipated.

The bill would amend the Government Code and the Election Code relating to the disclosure of certain contracts, services, and compensation in personal financial statements filed by public officers and candidates.

Based on information provided by the Ethics Commission, this analysis assumes that any costs associated with implementing the bill could be absorbed within existing resources.

The bill would take effect January 8, 2019 and would apply to financial statements filed on or after January 8, 2019.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 356 Texas Ethics Commission

LBB Staff: UP, KK, NV, GGo, AG

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 14, 2017

TO: Honorable Joan Huffman, Chair, Senate Committee on State Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB501 by Capriglione (Relating to the disclosure of certain contracts, agreements, services, and compensation in personal financial statements filed by public officers and candidates.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend the Government Code and the Election Code relating to the disclosure of certain contracts, services, and compensation in personal financial statements filed by public officers and candidates.

Based on information provided by the Ethics Commission, this analysis assumes that any costs associated with implementing the bill could be absorbed within existing resources.

The bill would take effect January 8, 2019 and would apply to financial statements filed on or after January 8, 2019.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 356 Texas Ethics Commission

LBB Staff: UP, AG, NV, GGo, KK, WP

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 18, 2017

TO: Honorable Sarah Davis, Chair, House Committee on General Investigating & Ethics

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB501 by Capriglione (relating to the disclosure of certain contracts, services, and compensation in personal financial statements filed by public officers and candidates.),
Committee Report 1st House, Substituted

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend the Government Code and the Election Code relating to the disclosure of certain contracts, services, and compensation in personal financial statements filed by public officers and candidates.

Based on information provided by the Ethics Commission, this analysis assumes that any costs associated with implementing the bill could be absorbed within existing resources.

The bill would take effect January 8, 2019 and would apply to financial statements filed on or after January 8, 2019.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 356 Texas Ethics Commission

LBB Staff: UP, KK, WP, GGo, NV

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 6, 2017

TO: Honorable Sarah Davis, Chair, House Committee on General Investigating & Ethics

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB501 by Capriglione (Relating to the disclosure of certain contracts, services, and compensation in personal financial statements filed by public officers and candidates.),
As Introduced

No significant fiscal implication to the State is anticipated.

The bill would amend the Government Code and the Election Code relating to the disclosure of certain contracts, services, and compensation in personal financial statements filed by public officers and candidates.

Based on information provided by the Ethics Commission, this analysis assumes that any costs associated with implementing the bill could be absorbed within existing resources.

The bill would take effect January 8, 2019 and would apply to financial statements filed on or after January 8, 2019.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 356 Texas Ethics Commission

LBB Staff: UP, KK, NV, GGo