



By: Taylor of Collin, et al.

S.B. No. 19

A BILL TO BE ENTITLED

AN ACT

relating to the ethics of public officers and related requirements;
creating criminal offenses.

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

ARTICLE 1. DISCLOSURE PROVISIONS

SECTION 1.01. Section 572.021, Government Code, is amended
to read as follows:

Sec. 572.021. FINANCIAL STATEMENT REQUIRED. (a) Except as
provided by Section 572.0211, a state officer, a partisan or
independent candidate for an office as an elected officer, and a
state party chair shall file with the commission a verified
financial statement complying with Sections 572.022 through
572.0252.

(b) Each financial statement filed under this subchapter
must be submitted electronically through a secure website
maintained by the commission.

SECTION 1.02. Section 572.023, Government Code, is amended
by amending Subsection (b) and adding Subsection (e) to read as
follows:

(b) The account of financial activity consists of:

(1) a list of all sources of occupational income,
identified by employer, or if self-employed, by the nature of the
occupation, including identification of a person or other
organization from which the individual or a business in which the

1 individual has a substantial interest received a fee as a retainer
2 for a claim on future services in case of need, as distinguished
3 from a fee for services on a matter specified at the time of
4 contracting for or receiving the fee, if professional or
5 occupational services are not actually performed during the
6 reporting period equal to or in excess of the amount of the
7 retainer, and the category of the amount of the fee;

8 (2) identification by name and the category of the
9 number of shares of stock of any business entity held or acquired,
10 and if sold, the category of the amount of net gain or loss realized
11 from the sale;

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

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

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

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

27 (7) identification of a person or other organization

1 from which the individual or the individual's spouse or dependent
2 children received a gift of anything of value in excess of \$250 and
3 a description of each gift, except:

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

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

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

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

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

23 (10) a list of all boards of directors of which the
24 individual is a member and executive positions that the individual
25 holds in corporations, firms, partnerships, limited partnerships,
26 limited liability partnerships, professional corporations,
27 professional associations, joint ventures, or other business

1 associations or proprietorships, stating the name of each
2 corporation, firm, partnership, limited partnership, limited
3 liability partnership, professional corporation, professional
4 association, joint venture, or other business association or
5 proprietorship and the position held;

6 (11) identification of any person providing
7 transportation, meals, or lodging expenses permitted under Section
8 36.07(b), Penal Code, and the amount of those expenses, other than
9 expenditures required to be reported under Chapter 305;

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

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

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

22 (A) the category of the fair market value of the
23 trust;

24 (B) the date the trust was created;

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

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

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

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

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

11 (A) for the sale of:

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

13 or

14 (ii) services, including professional
15 services as defined by Section 2254.002, consulting services as
16 defined by Section 2254.021, or legal counsel, in the amount of
17 \$5,000 or more;

18 (B) to which the individual or any business
19 entity of which the individual has at least a 50 percent ownership
20 interest is a party; and

21 (C) with:

22 (i) a governmental entity; or

23 (ii) a person who contracts with a
24 governmental entity, to fulfill one or more of the person's
25 obligations to the governmental entity under that contract;

26 (16) if the individual is a member of the legislature
27 and provides bond counsel services to an issuer, as defined by

1 Section 1201.002(1), identification of the following for each
2 issuance for which the individual served as bond counsel:

- 3 (A) the amount of the issuance;
- 4 (B) the name of the issuer;
- 5 (C) the date of the issuance;
- 6 (D) the amount of fees paid to the individual,

7 and whether the amount is:

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

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

- 15 (i) less than \$5,000;
- 16 (ii) at least \$5,000 but less than \$10,000;
- 17 (iii) at least \$10,000 but less than
18 \$25,000; or
- 19 (iv) \$25,000 or more; and

20 (17) identification of any other source of earned or
21 unearned income not reported under another provision of this
22 subsection, including public benefits or a pension, individual
23 retirement account, or other retirement plan, and the category of
24 the amount of income derived from each source.

25 (e) In this section, "governmental entity" means the state,
26 a political subdivision of the state, or an agency or department of
27 the state or a political subdivision of the state.

1 SECTION 1.03. Section 572.0252, Government Code, is amended
2 to read as follows:

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

5 (1) making or receiving any referral for compensation
6 for legal services; ~~and~~

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

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

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

10 that was agreed to between the parties to the referral, or, if the
11 fee is not a percentage, the agreed amount of the fee paid or
12 received ~~[the category of the amount of any fee accepted for making~~
13 ~~a referral for legal services]~~.

14 SECTION 1.04. Subchapter B, Chapter 572, Government Code,
15 is amended by adding Section 572.0295 to read as follows:

16 Sec. 572.0295. PERSONAL FINANCIAL STATEMENT. (a) A person
17 who files a report under this chapter may amend the report.

18 (b) A report that is amended before the eighth day after the
19 date the original report was filed is considered to have been filed
20 on the date on which the original report was filed.

21 (c) A report that is amended on or after the eighth day after
22 the original report was filed is considered to have been filed on
23 the date on which the original report was filed if:

24 (1) the amendment is made before any complaint is
25 filed with regard to the subject of the amendment; and

26 (2) the original report was made in good faith and
27 without an intent to mislead or to misrepresent the information

1 contained in the report.

2 SECTION 1.05. Section 572.032, Government Code, is amended
3 by amending Subsection (a) and adding Subsection (d) to read as
4 follows:

5 (a) Financial statements filed under this subchapter are
6 public records. The commission shall maintain the statements in
7 separate alphabetical files and in a manner that is accessible to
8 the public during regular office hours and make the statements
9 available in a searchable format to the public on the commission's
10 website not later than the 15th day after the date the statement is
11 required to be filed or is actually filed, whichever is later.

12 (d) The commission is not required to continue to make
13 available on its website a financial statement that may be
14 destroyed under Subsection (c). The commission may not make
15 available on its website a financial statement that the commission
16 is required to destroy under Subsection (c).

17 ARTICLE 2. CONFLICTS OF INTEREST

18 SECTION 2.01. Section 141.001, Election Code, is amended by
19 amending Subsection (a) and adding Subsections (d) and (e) to read
20 as follows:

21 (a) To be eligible to be a candidate for, or elected or
22 appointed to, a public elective office in this state, a person must:

23 (1) be a United States citizen;

24 (2) be 18 years of age or older on the first day of the
25 term to be filled at the election or on the date of appointment, as
26 applicable;

27 (3) have not been determined by a final judgment of a

1 court exercising probate jurisdiction to be:

2 (A) totally mentally incapacitated; or

3 (B) partially mentally incapacitated without the
4 right to vote;

5 (4) have not been finally convicted of a felony from
6 which the person has not been pardoned or otherwise released from
7 the resulting disabilities;

8 (5) have resided continuously in the state for 12
9 months and in the territory from which the office is elected for six
10 months immediately preceding the following date:

11 (A) for a candidate whose name is to appear on a
12 general primary election ballot, the date of the regular filing
13 deadline for a candidate's application for a place on the ballot;

14 (B) for an independent candidate, the date of the
15 regular filing deadline for a candidate's application for a place
16 on the ballot;

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

19 (D) for a party nominee who is nominated by any
20 method other than by primary election, the date the nomination is
21 made; and

22 (E) for an appointee to an office, the date the
23 appointment is made; ~~and~~

24 (6) not be required to be registered as a lobbyist
25 under Chapter 305, Government Code; and

26 (7) satisfy any other eligibility requirements
27 prescribed by law for the office.

1 (d) Except as provided by Section 7.103(c), Education Code,
2 Subsection (a)(6) does not apply to:

3 (1) an office of a political subdivision with a
4 population of 150,000 or less, other than the office of presiding
5 officer of the governing body of the political subdivision,
6 provided that the officeholder does not receive a salary or wage for
7 that office; or

8 (2) the office of the presiding officer of the
9 governing body of a political subdivision with a population of
10 50,000 or less, provided that the presiding officer does not
11 receive a salary or wage for that office.

12 (e) In Subsection (d), a presiding officer or other
13 officeholder is not considered to have received a salary or wage if
14 the officeholder refuses to accept a salary or wage offered or
15 budgeted for that office.

16 **SECTION 2.02. Subchapter A, Chapter 141, Election Code, is**
17 **amended by adding Section 141.005 to read as follows:**

18 **Sec. 141.005. DRUG TESTING REQUIREMENT FOR PERSONS ELECTED**
19 **TO PUBLIC OFFICE.** (a) At the time a person files for a public
20 elective office, the person must submit to a drug test to determine
21 if the person has used a controlled substance, as that term is
22 defined by Section 481.002, Health and Safety Code.

23 (b) The authority responsible for determining eligibility
24 for the office to which the person is elected shall administer a
25 drug test required under this section at the person's expense.

26 (c) After completion of a drug test required under this
27 section, the authority that administered the drug test shall:

1 (1) obtain a waiver of confidentiality from the person
2 with respect to the results of the drug test; and

3 (2) submit the results of the drug test to the Texas
4 Ethics Commission.

5 (d) The Texas Ethics Commission shall publish the results of
6 a drug test conducted under this section on the commission's
7 Internet website not later than 30 days after receiving the
8 results.

9 (e) The secretary of state shall adopt rules to administer
10 this section.

11 SECTION 2.03. Subchapter A, Chapter 305, Government Code,
12 is amended by adding Section 305.0031 to read as follows:

13 Sec. 305.0031. CERTAIN ELECTED OFFICERS MAY NOT REGISTER.

14 (a) A member of Congress, a member of the legislature, or a holder
15 of a statewide office may not register under this chapter.

16 (b) A registration under this chapter expires on the date a
17 person takes office as a member of Congress, a member of the
18 legislature, or a holder of a statewide office.

19 SECTION 2.04. Sections 305.0061(a), (b), and (c),
20 Government Code, are amended to read as follows:

21 (a) If a registrant or a person on the registrant's behalf
22 and with the registrant's consent or ratification makes
23 expenditures that exceed \$50 [~~60 percent of the amount of the~~
24 ~~legislative per diem in~~] a day for transportation or lodging for a
25 member of the legislative or executive branch or for the immediate
26 family of a member of the legislative or executive branch, the
27 registrant shall also state the following on the report filed under

1 Section 305.006:

2 (1) the name of the member of the legislative or
3 executive branch in whose behalf the expenditure is made;

4 (2) the place and date of the transportation or
5 lodging; and

6 (3) the purpose of the transportation or lodging.

7 (b) If a registrant or a person on the registrant's behalf
8 and with the registrant's consent or ratification makes
9 expenditures that exceed \$50 [~~60 percent of the amount of the~~
10 ~~legislative per diem in~~] a day for food and beverages for a member
11 of the legislative or executive branch or for the immediate family
12 of a member of the legislative or executive branch or makes
13 expenditures that exceed \$50 [~~60 percent of the amount of the~~
14 ~~legislative per diem in~~] a day for entertainment for a member of the
15 legislative or executive branch or for the immediate family of a
16 member of the legislative or executive branch, the registrant shall
17 also state the following on the report filed under Section 305.006:

18 (1) the name of the member of the legislative or
19 executive branch in whose behalf the expenditure is made;

20 (2) the place and date of the expenditure; and

21 (3) the amount of the expenditure by the appropriate
22 category of the amount, as determined by the commission.

23 (c) If a registrant or a person on the registrant's behalf
24 and with the registrant's consent or ratification gives to a member
25 of the legislative or executive branch, or to the immediate family
26 of a member of the legislative or executive branch, a gift or an
27 award or memento, the value of which exceeds \$50 per gift, award, or

1 memento, the registrant shall also state the following on the
2 report filed under Section 305.006:

3 (1) the name of the member of the legislative or
4 executive branch in whose behalf the expenditure is made;

5 (2) a general description of the gift, award, or
6 memento; and

7 (3) the amount of the expenditure by the appropriate
8 category of the amount, as determined by the commission.

9 SECTION 2.05. Section 305.0061, Government Code, is amended
10 by adding Subsection (h) to read as follows:

11 (h) If more than one registrant or persons acting on behalf
12 of more than one registrant and with each registrant's consent or
13 ratification collaborate to make an expenditure described by
14 Section 305.006(b) together, each registrant shall report the total
15 value of the shared expenditure as required by Subsection (a), (b),
16 or (c), if the total value of the shared expenditure exceeds the
17 amount provided under Subsection (a), (b), or (c).

18 SECTION 2.06. Subchapter C, Chapter 572, Government Code,
19 is amended by adding Sections 572.062 and 572.064 to read as
20 follows:

21 Sec. 572.062. FORMER LEGISLATOR: LOBBYING RESTRICTED;
22 CRIMINAL OFFENSE. (a) In this section:

23 (1) "Administrative action," "communicates directly
24 with," "legislation," "member of the executive branch," and "member
25 of the legislative branch" have the meanings assigned by Section
26 305.002.

27 (2) "Legislative cycle" means the two-year period

1 beginning on the first day of a regular legislative session and
2 ending on the day before the first day of the succeeding regular
3 legislative session.

4 (b) Except as provided by Subsection (c), a former member of
5 the legislature may not engage in activities that require
6 registration under Chapter 305 before the end of the legislative
7 cycle following the legislative cycle in which the former member
8 last served as a member of the legislature.

9 (c) Subsection (b) does not apply to a former member who
10 does not receive compensation other than reimbursement for actual
11 expenses for communicating directly with a member of the
12 legislative or executive branch to influence legislation or
13 administrative action.

14 (d) A former member who violates this section commits an
15 offense. An offense under this section is a Class A misdemeanor.

16 Sec. 572.064. COMPENSATION FROM FINANCIAL INSTITUTIONS
17 PROHIBITED; CRIMINAL OFFENSE. (a) In this section, "financial
18 institution" means a bank, credit union, or savings and loan
19 association.

20 (b) A member of the legislature or an executive officer
21 elected in a statewide election may not receive any monetary
22 compensation or other benefit from a position associated with a
23 financial institution.

24 (c) A person commits an offense if the person violates this
25 section. An offense under this section is a Class B misdemeanor.

26 SECTION 2.07. Chapter 601, Government Code, is amended by
27 adding Section 601.009 to read as follows:

1 Sec. 601.009. ELECTED OFFICER MAY NOT BE REGISTERED
2 LOBBYIST. (a) A person may not qualify for a public elective
3 office if the person is required to be registered as a lobbyist
4 under Chapter 305.

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

7 (1) an office for which the federal or state
8 constitution prescribes exclusive qualification requirements;

9 (2) an office of a political subdivision with a
10 population of 150,000 or less, other than the office of presiding
11 officer of the governing body of the political subdivision,
12 provided that the officeholder does not receive a salary or wage for
13 that office; or

14 (3) the office of the presiding officer of the
15 governing body of a political subdivision with a population of
16 50,000 or less, provided that the presiding officer does not
17 receive a salary or wage for that office.

18 (c) In Subsection (b), a presiding officer or other
19 officeholder is not considered to have received a salary or wage if
20 the officeholder refuses to accept a salary or wage offered or
21 budgeted for that office.

22 ARTICLE 3. ETHICS COMMISSION REPORTS

23 SECTION 3.01. Section 571.0771(a), Government Code, is
24 amended to read as follows:

25 (a) A statement, registration, or report required that is
26 filed with the commission is not considered to be late for purposes
27 of any applicable civil or criminal penalty for late filing of the

1 statement, registration, or report if:

2 (1) any error or omission in the statement,
3 registration, or report as originally filed was made in good faith;
4 and

5 (2) not later than the 14th business day after the date
6 the person filing the statement, registration, or report learns
7 that the statement, registration, or report as originally filed is
8 inaccurate or incomplete, the person files:

9 (A) a corrected or amended statement,
10 registration, or report; and

11 (B) an affidavit stating that the error or
12 omission in the original statement, registration, or report was
13 made in good faith.

14 ARTICLE 4. VACANCY ON CERTAIN CONVICTIONS

15 SECTION 4.01. Chapter 301, Government Code, is amended by
16 adding Subchapter Z to read as follows:

17 SUBCHAPTER Z. MISCELLANEOUS PROVISIONS

18 Sec. 301.901. VACANCY ON FINAL FELONY CONVICTION OF MEMBER
19 OF LEGISLATURE. A member of the legislature convicted of a felony
20 vacates the member's office on the date the conviction becomes
21 final.

22 ARTICLE 5. REPEALER

23 SECTION 5.01. Section 305.0061(g), Government Code, is
24 repealed.

25 SECTION 5.02. Section 572.032(b), Government Code, is
26 repealed.

1 ARTICLE 6. TRANSITION; EFFECTIVE DATE

2 SECTION 6.01. The changes in law made by this Act in
3 amending Section 141.001(a), Election Code, and in adding Section
4 601.009, Government Code, apply only to the eligibility and
5 qualification requirements for a candidate, officer, or employee
6 whose term of office or employment will begin on or after the
7 effective date of this Act. The eligibility and qualification
8 requirements for a candidate, officer, or employee whose term of
9 office or employment will begin before the effective date of this
10 Act are governed by the law in effect immediately before the
11 effective date of this Act, and the former law is continued in
12 effect for that purpose.

13 SECTION 6.02. The changes in law made by this Act to Section
14 305.0061, Government Code, apply only to a gift, award, or memento
15 given to or expenditures for transportation, lodging, food,
16 beverages, or entertainment made for a member of the legislative or
17 executive branch or the immediate family of a member of the
18 legislative or executive branch on or after September 1, 2015. A
19 gift, award, or memento given to or an expenditure for
20 transportation, lodging, food, beverages, or entertainment made
21 for a member of the legislative or executive branch or the immediate
22 family of a member of the legislative or executive branch before
23 September 1, 2015, is governed by the law in effect on the date the
24 gift, award, or memento was given, or the date the expenditure for
25 transportation, lodging, food, beverages, or entertainment was
26 made, and the former law is continued in effect for that purpose.

27 SECTION 6.03. (a) Except as otherwise provided by this

1 section, this Act takes effect January 10, 2017.

2 (b) Section 6.02 of this Act and the amendment of Section
3 [305.0061](#), Government Code, by this Act take effect September 1,
4 2015.