

- SUBJECT:** Contents of personal financial statements filed with Ethics Commission
- COMMITTEE:** General Investigating and Ethics — committee substitute recommended
- VOTE:** 7 ayes — Kuempel, Collier, S. Davis, Hunter, Larson, Moody, C. Turner
0 nays
- WITNESSES:** For — Carol Birch, Public Citizen, Texans for Public Justice; (*Registered, but did not testify*: Jules Dufresne, Common Cause Texas; Kelley Shannon, Freedom of Information Foundation of Texas)

Against — None

On — (*Registered, but did not testify*: Ian Steusloff, Texas Ethics Commission)
- BACKGROUND:** Government Code, sec., 572.021 requires state officers, certain candidates, and certain others to file personal financial statements with the Texas Ethics Commission. Sec. 572.023 lists what must be included in the financial statements. Sec. 572.022 establishes four categories for reporting amounts used in the personal financial statements: less than \$5,000; at least \$5,000 but less than \$10,000; at least \$10,000 but less than \$25,000; and \$25,000 or more.
- DIGEST:** CSHB 1059 would make several revisions to the contents of the personal financial statements that are required to be filed with the Texas Ethics Commission.

The bill would revise the reporting categories used on personal financial statements and would expand the categories from three to 10. The new categories would be:
- less than \$200;
 - at least \$200 but less than \$1,000;
 - at least \$1,000 but less than \$2,500;

- at least \$2,500 but less than \$5,000;
- at least \$5,000 but less than \$15,000;
- at least \$15,000 but less than \$50,000;
- at least \$50,000 but less than \$100,000;
- at least \$100,000 but less than \$1,000,000;
- at least \$1,000,000 but less than \$5,000,000; or
- \$5,000,000 or more.

If a gift was cash or a cash equivalent, the description of the gift would have to include the actual face value of the gift, rather than the value as required under current law. Other gifts would have to include a statement of the value of a gift.

CSHB 1059 would revise the time periods for which financial statements had to include an accounting of the financial activity of an individual and the financial activity of the individual's spouse and dependent children if the individual had control over that activity. In addition to the current requirement that the information be reported for the preceding calendar year, information would have to be reported for both the preceding calendar year and, listed separately, the year before the preceding calendar year for certain income-related information.

The bill would make several revisions to what had to be in the personal financial statements, including:

- requiring the identification of any other source of earned or unearned income not reported under another provision, including public benefits, pensions, individual retirement accounts, retirement plans, and the category of the amount of income derived from each source;
- reporting the dollar value, instead of the number of shares, when reporting shares of stock in businesses; and
- the date that financial liabilities greater than \$1,000 were incurred.

CSHB 1059 would require electronic filing of personal financial

statements filed with the commission. The commission would be required to make the statements available to the public on the commission website within 15 days of being filed or of the filing deadline, whichever was later.

The commission would not be required to make available statements that currently are eligible to be destroyed after the second anniversary of when an individual ceased to be a state officer. The commission would be prohibited from making available statements that currently must be destroyed due to notification to destroy them from the state officer. The bill would repeal a requirement that the commission note certain information about those who request to see financial statements.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2015. It would apply only to financial statements filed on or after January 1, 2017.