

**SUBJECT:** Amending requirements for certain personal financial statements

**COMMITTEE:** State Affairs — favorable, without amendment

**VOTE:** 7 ayes — Hunter, Hernandez, Dean, Metcalf, Slawson, Smithee, S. Thompson

0 nays

4 absent — Geren, Guillen, Raymond, Spiller

2 PNV — Anchía, Turner

**WITNESSES:** For — Andrew Cates

Against — (*Registered, but did not testify*: Adam Cahn)

On — (*Registered, but did not testify*: J.R. Johnson, Texas Ethics Commission)

**BACKGROUND:** Some have suggested that the current financial statement document for public officeholders and candidates could be streamlined.

**DIGEST:** HB 4053 would specify that the name of a person with an interest in a property that held a mortgage on the property that was otherwise required to be reported in a personal financial statement filed by certain public officers or candidates for office would not be required to be listed.

The bill would eliminate requirements, under certain conditions, for an individual to categorize the amount of certain fees, sales, income, assets, liabilities, compensation, shares of stock, or trusts in a personal financial statement.

The bill would eliminate the requirement that a person identify certain business associations by description in which 5 percent or more of the outstanding ownership was held, acquired, or sold.

Certain requirements would be amended to include in a financial statement a list of all boards of directors from which the individual received compensation and executive positions, only if the executive position held was president, vice president, secretary, treasurer, or chairman under certain conditions.

The bill would eliminate certain requirements that members of the Legislature who provided bond counsel services to an issuer provide certain details regarding the date and amount of fees paid of each issuance.

The Texas Ethics Commission would be required to reduce redundancies in reporting requirements for financial statements through forms the commission prescribed.

Under certain conditions, an individual whose financial activity was managed by a disinterested third party would not be required to report that information if the individual submitted a sworn statement with the financial statement that included certain information.

The bill would apply only to financial statements of officeholders and candidates for public office on or after the effective date of the bill. The bill would take effect September 1, 2023.

**NOTES:**

According to the Legislative Budget Board, HB 4053 would have a negative impact of \$52,500 in general revenue related funds during fiscal 2024-25.