

1-1 By: Geren, Flynn, King of Parker H.B. No. 1616
1-2 (Senate Sponsor - Estes)
1-3 (In the Senate - Received from the House May 6, 2011;
1-4 May 9, 2011, read first time and referred to Committee on State
1-5 Affairs; May 19, 2011, reported adversely, with favorable
1-6 Committee Substitute by the following vote: Yeas 9, Nays 0;
1-7 May 19, 2011, sent to printer.)

1-8 COMMITTEE SUBSTITUTE FOR H.B. No. 1616 By: Duncan

1-9 A BILL TO BE ENTITLED
1-10 AN ACT

1-11 relating to the reporting of political contributions, political
1-12 expenditures, and personal financial information, and to
1-13 complaints filed with the Texas Ethics Commission.

1-14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-15 SECTION 1. Section 254.031(a), Election Code, is amended to
1-16 read as follows:

1-17 (a) Except as otherwise provided by this chapter, each
1-18 report filed under this chapter must include:

1-19 (1) the amount of political contributions from each
1-20 person that in the aggregate exceed \$50 and that are accepted during
1-21 the reporting period by the person or committee required to file a
1-22 report under this chapter, the full name and address of the person
1-23 making the contributions, and the dates of the contributions;

1-24 (2) the amount of loans that are made during the
1-25 reporting period for campaign or officeholder purposes to the
1-26 person or committee required to file the report and that in the
1-27 aggregate exceed \$50, the dates the loans are made, the interest
1-28 rate, the maturity date, the type of collateral for the loans, if
1-29 any, the full name and address of the person or financial
1-30 institution making the loans, the full name and address, principal
1-31 occupation, and name of the employer of each guarantor of the loans,
1-32 the amount of the loans guaranteed by each guarantor, and the
1-33 aggregate principal amount of all outstanding loans as of the last
1-34 day of the reporting period;

1-35 (3) the amount of political expenditures that in the
1-36 aggregate exceed \$100 [~~\$50~~] and that are made during the reporting
1-37 period, the full name and address of the persons to whom the
1-38 expenditures are made, and the dates and purposes of the
1-39 expenditures;

1-40 (4) the amount of each payment made during the
1-41 reporting period from a political contribution if the payment is
1-42 not a political expenditure, the full name and address of the person
1-43 to whom the payment is made, and the date and purpose of the
1-44 payment;

1-45 (5) the total amount or a specific listing of the
1-46 political contributions of \$50 or less accepted and the total
1-47 amount or a specific listing of the political expenditures of \$100
1-48 [~~\$50~~] or less made during the reporting period;

1-49 (6) the total amount of all political contributions
1-50 accepted and the total amount of all political expenditures made
1-51 during the reporting period;

1-52 (7) the name of each candidate or officeholder who
1-53 benefits from a direct campaign expenditure made during the
1-54 reporting period by the person or committee required to file the
1-55 report, and the office sought or held, excluding a direct campaign
1-56 expenditure that is made by the principal political committee of a
1-57 political party on behalf of a slate of two or more nominees of that
1-58 party; ~~and~~

1-59 (8) as of the last day of a reporting period for which
1-60 the person is required to file a report, the total amount of
1-61 political contributions accepted, including interest or other
1-62 income on those contributions, maintained in one or more accounts
1-63 in which political contributions are deposited as of the last day of

2-1 the reporting period;

2-2 (9) any credit, interest, rebate, refund,
 2-3 reimbursement, or return of a deposit fee resulting from the use of
 2-4 a political contribution or an asset purchased with a political
 2-5 contribution received during the reporting period and the amount of
 2-6 which exceeds \$100;

2-7 (10) any proceeds of the sale of an asset purchased
 2-8 with a political contribution received during the reporting period
 2-9 and the amount of which exceeds \$100;

2-10 (11) any investment purchased with a political
 2-11 contribution received during the reporting period and the amount of
 2-12 which exceeds \$100;

2-13 (12) any other gain from a political contribution
 2-14 received during the reporting period and the amount of which
 2-15 exceeds \$100; and

2-16 (13) the full name and address of each person from whom
 2-17 an amount described by Subdivision (9), (10), (11), or (12) is
 2-18 received, the date the amount is received, and the purpose for which
 2-19 the amount is received.

2-20 SECTION 2. Subchapter B, Chapter 254, Election Code, is
 2-21 amended by adding Section 254.0405 to read as follows:

2-22 Sec. 254.0405. AMENDMENT OF FILED REPORT. (a) A person who
 2-23 files a semiannual report under this chapter may amend the report.

2-24 (b) A semiannual report that is amended before the eighth
 2-25 day after the date the original report was filed is considered to
 2-26 have been filed on the date on which the original report was filed.

2-27 (c) A semiannual report that is amended on or after the
 2-28 eighth day after the original report was filed is considered to have
 2-29 been filed on the date on which the original report was filed if:

2-30 (1) the amendment is made before any complaint is
 2-31 filed with regard to the subject of the amendment; and

2-32 (2) the original report was made in good faith and
 2-33 without an intent to mislead or to misrepresent the information
 2-34 contained in the report.

2-35 SECTION 3. Section 254.041, Election Code, is amended by
 2-36 adding Subsection (d) to read as follows:

2-37 (d) It is an exception to the application of Subsection
 2-38 (a)(3) that:

2-39 (1) the information was required to be included in a
 2-40 semiannual report; and

2-41 (2) the person amended the report within the time
 2-42 prescribed by Section 254.0405(b) or under the circumstances
 2-43 described by Section 254.0405(c).

2-44 SECTION 4. Section 571.122, Government Code, is amended by
 2-45 adding Subsection (e) to read as follows:

2-46 (e) It is not a valid basis of a complaint to allege that a
 2-47 report required under Chapter 254, Election Code, contains the
 2-48 improper name or address of a person from whom a political
 2-49 contribution was received if the name or address in the report is
 2-50 the same as the name or address that appears on the check for the
 2-51 political contribution.

2-52 SECTION 5. Subchapter E, Chapter 571, Government Code, is
 2-53 amended by adding Section 571.1222 to read as follows:

2-54 Sec. 571.1222. DISMISSAL OF COMPLAINT CHALLENGING CERTAIN
 2-55 INFORMATION IN POLITICAL REPORT. At any stage of a proceeding under
 2-56 this subchapter, the commission shall dismiss a complaint to the
 2-57 extent the complaint alleges that a report required under Chapter
 2-58 254, Election Code, contains the improper name or address of a
 2-59 person from whom a political contribution was received if the name
 2-60 or address in the report is the same as the name or address that
 2-61 appears on the check for the political contribution.

2-62 SECTION 6. Section 571.123(b), Government Code, is amended
 2-63 to read as follows:

2-64 (b) After a complaint is filed, the commission shall
 2-65 immediately attempt to contact and notify the respondent of the
 2-66 complaint by telephone or electronic mail. Not later than the
 2-67 fifth business day after the date a complaint is filed, the
 2-68 commission shall send written notice to the complainant and the
 2-69 respondent. The written notice to the complainant and the

3-1 respondent must:
 3-2 (1) state whether the complaint complies with the form
 3-3 requirements of Section 571.122;
 3-4 (2) if the respondent is a candidate or officeholder,
 3-5 state the procedure by which the respondent may designate an agent
 3-6 with whom commission staff may discuss the complaint; and
 3-7 (3) [~~2~~] if applicable, include the information
 3-8 required by Section 571.124(e).

3-9 SECTION 7. Subchapter E, Chapter 571, Government Code, is
 3-10 amended by adding Section 571.1231 to read as follows:

3-11 Sec. 571.1231. DESIGNATION OF AGENT BY CERTAIN RESPONDENTS.

3-12 (a) This section applies only to a respondent who is a candidate or
 3-13 officeholder.

3-14 (b) A respondent to a complaint filed against the respondent
 3-15 may by writing submitted to the commission designate an agent with
 3-16 whom the commission staff may communicate regarding the complaint.

3-17 (c) For purposes of this subchapter, including Section
 3-18 571.140, communications with the respondent's agent designated
 3-19 under this section are considered communications with the
 3-20 respondent.

3-21 SECTION 8. Section 159.003(b), Local Government Code, is
 3-22 amended to read as follows:

3-23 (b) The statement must:

3-24 (1) be filed with the county clerk of the county in
 3-25 which the officer, justice, or candidate resides; and

3-26 (2) comply with Sections 572.022 and 572.023,
 3-27 Government Code, and with any order of the commissioners court of
 3-28 the county requiring additional disclosures.

3-29 SECTION 9. Section 254.031(a), Election Code, as amended by
 3-30 this Act, applies only to a report under Chapter 254, Election Code,
 3-31 that is required to be filed on or after the effective date of this
 3-32 Act. A report under Chapter 254, Election Code, that is required to
 3-33 be filed before the effective date of this Act is governed by the
 3-34 law in effect on the date the report is required to be filed, and the
 3-35 former law is continued in effect for that purpose.

3-36 SECTION 10. Section 254.041, Election Code, as amended by
 3-37 this Act, applies only to an offense committed on or after the
 3-38 effective date of this Act. For purposes of this section, an
 3-39 offense is committed before the effective date of this Act if any
 3-40 element of the offense occurs before the effective date. An offense
 3-41 committed before the effective date of this Act is covered by the
 3-42 law in effect when the offense was committed, and the former law is
 3-43 continued in effect for that purpose.

3-44 SECTION 11. This Act takes effect September 1, 2011.

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