

BILL ANALYSIS

C.S.S.B. 219
By: Huffman
Elections
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Texas Ethics Commission was created by a constitutional amendment adopted in 1991. The Commission administers and enforces the state's campaign finance and ethics laws that govern the conduct of state officers and employees, candidates for and officeholders of state and local offices, political committees, political parties, and lobbyists. The Sunset Commission did not address continuation of the agency because the Ethics Commission is not subject to abolishment under the Sunset Act. However, the Sunset Commission recommended changes to better focus and otherwise improve operations.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Ethics Commission in SECTIONS 1.01, 2.09, 2.19, 2.21, 2.23, and 4.01 of this bill.

ANALYSIS

Revises the agency's enforcement process to use more neutral language and establish categories of violations that vary in seriousness.

C.S.S.B. 219 changes the term "sworn complaint" and "complaint" to "inquiry" in many places in the bill. The bill directs the Commission's staff to categorize, in ascending order of seriousness, violations of law alleged in an inquiry or a motion of the Commission as technical, clerical, or de minimis; administrative or filing; or a more serious violation. The bill requires the Commission to define in rule the violations included in each category. The bill also repeals current law providing for the categorization of violations into one of two categories.

C.S.S.B. 219 specifies that an inquiry or motion alleging a technical, clerical or de minimis violation must be resolved in a letter of acknowledgement; an inquiry or motion alleging an administrative or filing violation must be resolved in a notice of administrative or filing error; and an inquiry or motion alleging a more serious violation must be resolved in a notice of violation.

C.S.S.B. 219 adds Commission staff to the existing civil penalty authority and requires the Commission to develop guidelines for the Commission and the Commission staff to follow when imposing a civil penalty. The bill specifies that the guidelines must direct the Commission or the Commission staff to consider certain factors. The bill directs the Commission or staff to impose a civil penalty on a respondent who accepts or is issued a notice of administrative or filing error or a notice of violation. The bill specifies that in imposing a civil penalty, the Commission is not required to consider penalties previously proposed to the respondent at an earlier stage of review. The bill also specifies that the Commission or its staff may not impose a civil penalty on a respondent who accepts or is issued a letter of acknowledgement.

C.S.S.B. 219 requires the Commission to adopt rules to implement the new system by December 1, 2013. Instructional provisions require that changes in law related to this revised enforcement scheme apply only to inquiries filed or Commission motions adopted on or after December 1, 2013. Sworn complaints filed or motions adopted by the Commission before that date are governed by the law then in effect.

Restructures the agency's hearings procedures to be more typical of state agency regulatory processes.

C.S.S.B. 219 requires the Commission to adopt procedures, by rule, for the conduct of a preliminary review of an inquiry or motion that alleges a technical, clerical, or de minimis violation; an administrative or filing violation, and a more serious violation. The bill specifies how the Commission staff will conduct preliminary reviews under certain circumstances.

C.S.S.B. 219 provides for achieving resolution of an inquiry or motion alleging a violation. The bill requires Commission staff, after conducting a preliminary review of an inquiry or motion, to propose a resolution to the respondent that corresponds to the category of violation alleged in the inquiry or motion. If the inquiry or motion alleges multiple violations, the staff shall propose a resolution to the respondent that corresponds to the most serious category of violation. If the respondent accepts the resolution, the staff shall submit to the commission for approval the letter of acknowledgment, notice of administrative or filing error, or notice of violation. If the respondent rejects the resolution, the Commission shall set the inquiry or motion for a preliminary review hearing.

C.S.S.B. 219 requires that the Commission by rule adopt procedures for Commission review of a letter of acknowledgment, a notice of administrative or filing error, or a notice of violation submitted to the Commission under provisions dealing with the resolution of a preliminary review or preliminary review hearing. In addition, the Commission by rule shall adopt procedures for the disposition of an inquiry or motion if the respondent does not respond to a resolution proposed under those sections.

C.S.S.B. 219 limits commissioner involvement in the preliminary review hearing to two commissioners and changes one of the conditions for the preliminary hearing to be conducted if the respondent does not agree to the resolution proposed by Commission staff. The bill requires the Commission to adopt rules for the selection of members to serve on panels and requires the rules to ensure the panel is composed of two Commission members, and that each member of the panel is a member of a different political party. The bill also deletes references to holding such hearings at Commission meetings.

C.S.S.B. 219 specifies procedures for achieving resolution of preliminary review hearings, reflecting the new categories of violations for clerical, administrative or filing, or a more serious violation that would apply, except in cases of a tie vote. The bill conforms language to reflect the role of the panel, instead of the Commission, in assessing the evidence to determine whether a violation has occurred and in preparing a resolution of an inquiry or motion to the respondent under certain circumstances. The bill also conforms language for the panel to order a formal hearing and to provide specified information to the respondent and any complainant if the panel is unsuccessful in preparing a resolution or it is rejected by the respondent. In addition, the bill requires the panel to order a formal hearing and provide notice if the panel cannot issue a decision because of a tie vote. The bill specifies that except as otherwise provided by law or Commission rule, if the respondent accepts the resolution, the panel shall submit to the Commission for approval the letter of acknowledgment, notice of administrative or filing error, or notice of violation in which the resolution was proposed.

C.S.S.B. 219 authorizes the Commission to conduct a formal hearing or delegate the responsibility to the State Office of Administrative Hearings (SOAH). The bill also adds language specifying that a final decision by the Commission for the resolution of the formal hearing must be in the form corresponding to the category of violation alleged in the inquiry or motion.

C.S.S.B. 219 authorizes a respondent to seek judicial review of a final decision of the Commission after the respondent has exhausted all the Commission's administrative remedies. The bill provides for the review to be in the manner for judicial review of a contested case under Chapter 2001, Government Code, and governed by the substantial evidence rule. The bill deletes current language specifying that the substantial evidence rule does not apply to appeals and that actions are to be determined by trial de novo according to specific procedures for such matters.

C.S.S.B. 219 makes a conforming change to clarify the confidentiality of a preliminary review

hearing performed by a panel of Commission members. The bill provides that a notice of administrative or filing error, or a notice of violation approved by the Commission are not confidential, while a letter of acknowledgment approved by the Commission is confidential. The bill requires the Commission to post on the Internet a copy of a decision that a person has not committed a violation or a notice of dismissal on the person's request and waiver of confidentiality. The bill also makes conforming changes regarding the availability of a notice of administrative or filing error or a notice of violation on the Internet, but excludes a letter of acknowledgement from the requirement.

Provides for changing the method of submitting personal financial statements with the Commission and at the local level and provides for redacting certain information before public disclosure.

C.S.S.B. 219 requires personal financial statements filed with the Commission to be filed by computer diskette, modem, or other means of electronic transfer using computer software provided by the Commission or meeting its specifications for a standard file format. The bill repeals provisions relating to mailing and paper filing of personal financial statement forms and instructions. The provisions repealed include a defense to prosecution that an individual did not receive copies of forms required to be mailed to the individual, which applies only to an offense committed on or after the effective date of the bill. The bill makes a conforming change regarding notification of the electronic filing requirement. The bill requires the Commission to develop or approve computer software for electronic filing the statements as soon as practicable after the effective date of the act.

C.S.S.B. 219 requires the Commission to remove from the statement the home address of a district attorney for whom the Commission maintains a file on or after the effective date of the bill before permitting a member of the public to view the statement or providing a copy of the statement to a member of the public. The bill requires the same redaction for any individual filing a statement with the Commission, but specifies this only applies to a statement filed on or after the date the Commission determines the computer software for filing statements allows the Commission to easily and quickly redact information.

C.S.S.B. 219 authorizes personal financial statements filed with specified local filing authorities to be filed by electronic mail and authorizes the local filing authorities to prescribe guidelines for filing by electronic mail. The bill preserves the Commission's responsibility to design forms for local filing of personal financial statements in the Commission's statute in the Government Code. The bill also clarifies the circumstances under which local filers' personal financial statements that are not filed by electronic mail are considered timely filed.

Establishes a fee for campaign finance filers reporting to the Ethics Commission.

C.S.S.B. 219 requires candidates, officeholders other than the secretary of state, and political committees to pay an annual fee for each year they file a document required under Title 15, Election Code. The bill exempts certain filers from paying the fee, including those who file reports with an authority other than the Commission and those who file a petition in lieu of the filing fee with the application for a place on the ballot. The bill requires the Commission to determine in rule the amount of the fee, not to exceed \$100, that it determines necessary for the administration of Title 15, Election Code and to adopt rules to implement this provision.

Modifies statutory filing provisions to streamline the agency's campaign finance and other filing processes.

C.S.S.B. 219 repeals or otherwise removes many statutorily prescribed mailing and notice requirements throughout the bill and requires the Commission to adopt rules indicating how to handle notification and correspondence for various filer types and reports. The bill makes changes to the heading to Chapter 252, Elections Code, designates certain existing sections as a new subchapter for Campaign Treasurer, and adds a new subchapter for Legislative Caucus Chair.

C.S.S.B. 219 requires legislative caucuses to appoint a caucus chair in writing and specifies the contents of the appointment. The bill requires a legislative caucus to file the caucus chair appointment with the Commission and requires written notice to the Commission of any change

in the caucus' mailing address. The bill also specifies certain responsibilities of the caucus chair that are currently the responsibility of the caucus. The bill includes instructional provisions specifying that each legislative caucus in existence on September 1, 2013 must appoint a caucus chair by September 15, 2013 and providing timeframes for the caucus and the caucus chair to file certain reports.

C.S.S.B. 219 adds a new subchapter for Principal Political Committee and authorizes a candidate or officeholder required to file a campaign treasurer appointment with the Commission to designate a specific-purpose committee as the principal political committee responsible for reporting required campaign finance activity. A candidate who designates a principal political committee under these provisions would not be required to appoint a campaign treasurer. The bill specifies circumstances under which a candidate or officeholder who has designated a specific-purpose committee as a principal political committee is not responsible for filing reports that would otherwise be required.

C.S.S.B. 219 removes language so that a political contribution from the spouse of an individual contributing to a person subject to the Judicial Campaign Fairness Act would not be considered a contribution from that individual. The bill specifies that this provision applies only to a political contribution accepted on or after the effective date of the bill.

C.S.S.B. 219 clarifies that the exemption to the requirement for filing campaign finance reports electronically is only valid for certain filers who have never exceeded established dollar thresholds for political contributions and political expenditures. The bill provides for exempting legislative caucuses from filing electronic campaign finance reports if they meet specified criteria. The bill requires that rules the Commission adopts regarding a lobby registrant filing paper registrations or reports may not allow the registrant to file paper registrations or reports if the registrant has ever used the electronic filing system.

C.S.S.B. 219 changes the due date for general-purpose committees to file monthly reports and for a report covering the month preceding an election to be received by the Commission from the fifth to the 10th day of the month following the reporting period. The bill changes the reporting period for general-purpose committees reporting campaign finance information monthly, from the 26th of each month through the 25th day of the following month, to the first calendar day of each month through the last calendar day of that month, subject to existing exceptions.

C.S.S.B. 219 specifies that electronic report data saved in a Commission temporary storage location for later retrieval and editing before a report is filed is confidential. The bill specifies that after a report is filed, the information disclosed in the report is subject to the law requiring the filing of the report.

C.S.S.B. 219 repeals provisions of the Elections Code that prohibit the agency from posting on its website reports of a major party candidates whose opponents have not yet filed.

Clarifies requirements for lobbyist registration, disclosure, and reporting.

C.S.S.B. 219 defines “communicates directly with a member of the legislative or executive branch to influence legislation or administrative action” to include establishing goodwill with the member for purposes of later communicating with the member to influence legislation or administrative action.

C.S.S.B. 219 clarifies that a person who is not a lobby registrant and who makes an expenditure on behalf of a lobby registrant in certain circumstances is not considered to have made an expenditure in accordance with the Lobby Law for purposes of the bribery provisions of the Penal Code. The bill specifies that this change is intended to clarify rather than change existing law.

C.S.S.B. 219 specifies that a person is exempted from the compensation threshold requiring lobby registration if no more than 26 hours, or another amount of time determined by the Commission, of the person's compensated time during a calendar quarter is spent engaging in an activity, including preparatory activity as defined by the Commission, to communicate directly with a member of the legislative or executive branch to influence legislation or administrative action. The bill specifies that such communication includes establishing goodwill for the purpose of later communicating to influence legislation or administrative action. The bill

provides that if a person spends more than eight hours in a single day engaging in such activity, the person is considered to have engaged in eight hours for purposes of calculating the 26-hour threshold. The bill specifies that this provision applies only to a registration or registration renewal required to be filed on or after the effective date of the bill.

C.S.S.B. 219 adds categories to the Lobby Law provision related to reporting lump sum expenditures for events to which all legislators are invited to also include events to which the following are invited: a legislative committee and the committee staff; all state senators and their staff; all state representatives and their staff; and all legislative staff. The bill specifies that this provision applies only to reports required to be filed on or after the effective date of the bill.

C.S.S.B. 219 clarifies that a lobby registration amended during a regular legislative session must contain only certain information required under the Lobby Law.

C.S.S.B. 219 provides that for purposes of required disclosure, the term “legislative advertising” does not include material that is printed or published by a member of the legislative branch and that is only disseminated by a member on the floor of either house.

C.S.S.B. 219 repeals the following statutory provisions:

- Section 254.036(j), Election Code
- Section 254.0401(b) and (f), Election Code
- Section 571.032, Government Code
- Section 571.1212, Government Code
- Section 572.029(c), Government Code
- Sections 572.030(a), (d), and (e), Government Code
- Section 572.034(c), Government Code

EFFECTIVE DATE

September 1, 2013.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.S.B. 219 may differ from the engrossed in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the engrossed and committee substitute versions of the bill.

SENATE ENGROSSED

ARTICLE 1. NOTIFICATION PROCEDURES OF TEXAS ETHICS COMMISSION

SECTION 1.01. Subchapter B, Chapter 571, Government Code, is amended.

No equivalent provision.

HOUSE COMMITTEE SUBSTITUTE

ARTICLE 1. GENERAL PROCEDURES OF TEXAS ETHICS COMMISSION

SECTION 1.01. Same as engrossed version.

SECTION 1.02. Section 571.0671, Government Code, is amended by adding Subsection (d) to read as follows:
(d) Electronic report data saved in a commission temporary storage location for later retrieval and editing before the report is

filed is confidential and may not be disclosed. After the report is filed, the information disclosed in the report is subject to the law requiring the filing of the report.

ARTICLE 2. INQUIRY PROCEDURES
AND HEARINGS AND ENFORCEMENT
ACTIVITIES OF TEXAS ETHICS
COMMISSION

ARTICLE 2. INQUIRY PROCEDURES
AND HEARINGS AND ENFORCEMENT
ACTIVITIES OF TEXAS ETHICS
COMMISSION

SECTION 2.01. Subdivision (2), Section
571.002, Government Code, is amended.

SECTION 2.01. Same as engrossed version.

SECTION 2.02. Subsection (a), Section
571.027, Government Code, is amended.

SECTION 2.02. Same as engrossed version.

SECTION 2.03. Subsection (f), Section
571.069, Government Code, is amended.

SECTION 2.03. Same as engrossed version.

SECTION 2.04. Section 571.073,
Government Code, is amended.

SECTION 2.04. Same as engrossed version.

SECTION 2.05. Section 571.076,
Government Code, is amended.

SECTION 2.05. Same as engrossed version.

SECTION 2.06. The heading to
Subchapter E, Chapter 571, Government
Code, is amended.

SECTION 2.06. Same as engrossed version.

SECTION 2.07. Section 571.121,
Government Code, is amended.

SECTION 2.07. Same as engrossed version.

SECTION 2.08. Section 571.1211,
Government Code, is amended.

SECTION 2.08. Same as engrossed version.

SECTION 2.09. Subchapter E, Chapter
571, Government Code, is amended.

SECTION 2.09. Same as engrossed version.

SECTION 2.10. Subchapter E, Chapter
571, Government Code, is amended.

SECTION 2.10. Same as engrossed version.

SECTION 2.11. Section 571.122,
Government Code, as amended by

SECTION 2.11. Same as engrossed version.

Chapters 604 (H.B. 677) and 1166 (H.B. 3218), Acts of the 81st Legislature, Regular Session, 2009, is amended.

SECTION 2.12. Section 571.1221, Government Code, is amended.

SECTION 2.12. Same as engrossed version.

SECTION 2.13. Section 571.1222, Government Code, is amended.

SECTION 2.13. Same as engrossed version.

SECTION 2.14. Section 571.123, Government Code, is amended.

SECTION 2.14. Same as engrossed version.

SECTION 2.15. Subsection (b), Section 571.1231, Government Code, is amended.

SECTION 2.15. Same as engrossed version.

SECTION 2.16. Section 571.124, Government Code, is amended.

SECTION 2.16. Same as engrossed version.

SECTION 2.17. Subsections (a) and (c), Section 571.1241, Government Code, are amended.

SECTION 2.17. Same as engrossed version.

SECTION 2.18. Section 571.1242, Government Code, is amended.

SECTION 2.18. Same as engrossed version.

SECTION 2.19. Subchapter E, Chapter 571, Government Code, is amended.

SECTION 2.19. Same as engrossed version.

SECTION 2.20. Subchapter E, Chapter 571, Government Code, is amended.

SECTION 2.20. Same as engrossed version.

SECTION 2.21. Section 571.1244, Government Code, is amended.

SECTION 2.21. Same as engrossed version.

SECTION 2.22. Section 571.125, Government Code, is amended.

SECTION 2.22. Same as engrossed version.

SECTION 2.23. Subchapter E, Chapter 571, Government Code, is amended.

SECTION 2.23. Same as engrossed version.

SECTION 2.24. Section 571.126,

SECTION 2.24. Substantially the same as

Government Code, is amended.	engrossed version.
SECTION 2.25. Subchapter E, Chapter 571, Government Code, is amended.	SECTION 2.25. Same as engrossed version.
SECTION 2.26. Subsections (a) and (c), Section 571.132, Government Code, are amended.	SECTION 2.26. Same as engrossed version.
SECTION 2.27. Section 571.133, Government Code, is amended.	SECTION 2.27. Same as engrossed version.
SECTION 2.28. Section 571.134, Government Code, is amended.	SECTION 2.28. Same as engrossed version.
SECTION 2.29. Subsection (b), Section 571.135, Government Code, is amended.	SECTION 2.29. Same as engrossed version.
SECTION 2.30. Section 571.1351, Government Code, is amended.	SECTION 2.30. Same as engrossed version.
SECTION 2.31. Section 571.136, Government Code, is amended.	SECTION 2.31. Same as engrossed version.
SECTION 2.32. Subsection (a), Section 571.137, Government Code, is amended.	SECTION 2.32. Same as engrossed version.
SECTION 2.33. Section 571.139, Government Code, is amended.	SECTION 2.33. Same as engrossed version.
SECTION 2.34. Subsections (a), (b), and (b-1), Section 571.140, Government Code, are amended.	SECTION 2.34. Same as engrossed version.
SECTION 2.35. Section 571.141, Government Code, is amended.	SECTION 2.35. Same as engrossed version.
SECTION 2.36. Section 571.142, Government Code, is amended.	SECTION 2.36. Same as engrossed version.
SECTION 2.37. Subsection (b), Section 571.171, Government Code, is amended.	SECTION 2.37. Same as engrossed version.

SECTION 2.38. Section 571.173, Government Code, is amended.

SECTION 2.38. Same as engrossed version.

SECTION 2.39. Section 571.176, Government Code, is amended.

SECTION 2.39. Same as engrossed version.

SECTION 2.40. Section 571.177, Government Code, is amended.

SECTION 2.40. Same as engrossed version.

SECTION 2.41. (a) Not later than December 1, 2013, the Texas Ethics Commission shall adopt any rules necessary to implement the changes in law made by this article.

SECTION 2.41. Same as engrossed version.

(b) The changes in law made by this article apply only to an inquiry filed with the Texas Ethics Commission under Section 571.122, Government Code, or a motion adopted by the commission under Subsection (b), Section 571.124, Government Code, on or after December 1, 2013. A sworn complaint filed with the Texas Ethics Commission under Section 571.122, Government Code, or a motion adopted by the commission under Subsection (b), Section 571.124, Government Code, before that date is governed by the law in effect on the date the complaint is filed or the motion is adopted, and the former law is continued in effect for that purpose.

ARTICLE 3. PERSONAL FINANCIAL STATEMENTS

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SECTION 3.01. Section 571.0671, Government Code, is amended.

SECTION 3.01. Same as engrossed version.

SECTION 3.02. Subchapter B, Chapter 572, Government Code, is amended.

SECTION 3.02. Same as engrossed version.

SECTION 3.03. Subchapter B, Chapter 572, Government Code, is amended.

SECTION 3.03. Same as engrossed version.

SECTION 3.04. The heading to Section

SECTION 3.04. Same as engrossed version.

572.030, Government Code, is amended.

SECTION 3.05. Subsections (b) and (c), Section 572.030, Government Code, are amended.

SECTION 3.06. Subsection (b), Section 572.031, Government Code, is amended.

No equivalent provision.

SECTION 3.07. Subsections (a) and (b), Section 572.033, Government Code, are amended.

No equivalent provision.

SECTION 3.08. Subsection (d), Section 145.004, Local Government Code, is amended to read as follows:

(d) The timeliness of the filing is governed by Section 572.029, Government Code. In addition, a financial statement is timely filed if it is properly addressed and placed in the United States post office or in the

SECTION 3.05. Same as engrossed version.

SECTION 3.06. Same as engrossed version.

SECTION 3.07. Section 572.032, Government Code, is amended by amending Subsection (a-1) and adding Subsection (a-2) to read as follows:

(a-1) The commission shall remove the home address of a judge, [ø] justice, or district attorney from a financial statement filed under this subchapter before:

(1) permitting a member of the public to view the statement; or

(2) providing a copy of the statement to a member of the public.

(a-2) The commission shall remove the home address of an individual from a financial statement filed by the individual under this subchapter before:

(1) permitting a member of the public to view the statement; or

(2) providing a copy of the statement to a member of the public.

SECTION 3.08. Same as engrossed version.

SECTION 3.09. Section 145.003, Local Government Code, is amended by adding Subsection (c) to read as follows:

(c) The statement may be filed with the clerk or secretary by electronic mail. The clerk or secretary may prescribe guidelines for filing by electronic mail.

SECTION 3.10. Subsection (d), Section 145.004, Local Government Code, is amended to read as follows:

(d) The timeliness of the filing is governed by Section 572.029, Government Code. In addition, a financial statement **that is not filed by electronic mail** is timely filed if it is properly addressed and placed in the United

hands of a common or contract carrier not later than the last day for filing the financial statement. The post office cancellation mark or the receipt mark of a common or contract carrier is prima facie evidence of the date the statement was deposited with the post office or carrier. The individual filing the statement may show by competent evidence that the actual date of posting was different from that shown by the mark.

No equivalent provision.

SECTION 3.09. Subsection (b), Section 159.004, Local Government Code, is amended to read as follows:

(b) The timeliness of the filing is governed by Section 572.029, Government Code. In addition, a financial statement is timely filed if it is properly addressed and placed in the United States post office or in the hands of a common or contract carrier not later than the last day for filing the financial statement. The post office cancellation mark or the receipt mark of a common or contract carrier is prima facie evidence of the date the statement was deposited with the post office or carrier. The individual filing the statement may show by competent evidence that the actual date of posting was different from that shown by the mark.

No equivalent provision.

No equivalent provision.

States post office or in the hands of a common or contract carrier not later than the last day for filing the financial statement. The post office cancellation mark or the receipt mark of a common or contract carrier is prima facie evidence of the date the statement was deposited with the post office or carrier. The individual filing the statement may show by competent evidence that the actual date of posting was different from that shown by the mark.

SECTION 3.11. Section 159.003, Local Government Code, is amended by adding Subsection (c) to read as follows:

(c) The statement may be filed with the county clerk by electronic mail. The county clerk may prescribe guidelines for filing by electronic mail.

SECTION 3.12. Subsection (b), Section 159.004, Local Government Code, is amended to read as follows:

(b) The timeliness of the filing is governed by Section 572.029, Government Code. In addition, a financial statement **that is not filed by electronic mail** is timely filed if it is properly addressed and placed in the United States post office or in the hands of a common or contract carrier not later than the last day for filing the financial statement. The post office cancellation mark or the receipt mark of a common or contract carrier is prima facie evidence of the date the statement was deposited with the post office or carrier. The individual filing the statement may show by competent evidence that the actual date of posting was different from that shown by the mark.

SECTION 3.13. Section 159.034, Local Government Code, is amended by adding Subsection (d) to read as follows:

(d) A report filed under this subchapter may be filed by electronic mail. The authority with whom the report is filed may prescribe guidelines for filing by electronic mail.

SECTION 3.14. Section 159.052, Local Government Code, is amended by adding Subsection (c) to read as follows:

(c) A financial statement filed with the

county clerk may be filed by electronic mail. The county clerk may prescribe guidelines for filing by electronic mail under this subsection.

SECTION 3.10. Subsection (b), Section 159.053, Local Government Code, is amended to read as follows:

(b) The timeliness of the filing is governed by Section 572.029, Government Code. In addition, a financial statement is timely filed if it is properly addressed and placed in the United States post office or in the hands of a common or contract carrier not later than the last day for filing the financial statement. The post office cancellation mark or the receipt mark of a common or contract carrier is prima facie evidence of the date the statement was deposited with the post office or carrier. The individual filing the statement may show by competent evidence that the actual date of posting was different from that shown by the mark.

SECTION 3.11. As soon as practicable after the effective date of this Act, the Texas Ethics Commission shall develop or approve the computer software that a person may use to electronically file a financial statement under Chapter 572, Government Code, as provided by the changes in law made by this article.

No equivalent provision.

No equivalent provision.

SECTION 3.15. Subsection (b), Section 159.053, Local Government Code, is amended to read as follows:

(b) The timeliness of the filing is governed by Section 572.029, Government Code. In addition, a financial statement **that is not filed by electronic mail** is timely filed if it is properly addressed and placed in the United States post office or in the hands of a common or contract carrier not later than the last day for filing the financial statement. The post office cancellation mark or the receipt mark of a common or contract carrier is prima facie evidence of the date the statement was deposited with the post office or carrier. The individual filing the statement may show by competent evidence that the actual date of posting was different from that shown by the mark.

SECTION 3.16. Same as engrossed version.

SECTION 3.17. Section 572.032(a-1), Government Code, as amended by this Act, applies to any financial statement filed under Subchapter B, Chapter 572, Government Code, that the Texas Ethics Commission maintains on file and that is accessible to the public on or after the effective date of this Act.

SECTION 3.18. Section 572.032(a-2), Government Code, as added by this Act, applies only to a financial statement filed under Subchapter B, Chapter 572, Government Code, on or after the date the Texas Ethics Commission determines that the computer software that a person is required to use to electronically file a financial statement includes features that

allow the commission to easily and quickly redact information in the statement. A financial statement filed before that date is governed by the law in effect on the date of filing, and the former law is continued in effect for that purpose.

ARTICLE 4. CAMPAIGN FINANCE

No equivalent provision.

SECTION 4.01. The heading to Chapter 252, Election Code, is amended.

SECTION 4.02. Chapter 252, Election Code, is amended by designating Sections 252.001 through 252.015 as Subchapter A and adding a subchapter heading.

SECTION 4.03. Section 252.001, Election Code, is amended.

ARTICLE 4. CAMPAIGN FINANCE

SECTION 4.01. Section 251.003, Election Code, is amended to read as follows:

Sec. 251.003. ~~[PROHIBITION—OF]~~ DOCUMENT FILING FEE. (a) A candidate, an officeholder other than the secretary of state, and a political committee shall pay an annual fee for each year in which the candidate, officeholder, or political committee files [A charge may not be made for filing] a document required to be filed under this title.

(b) This section does not apply to:

(1) a candidate, officeholder, or specific-purpose committee who files reports under this title with an authority other than the commission;

(2) a candidate who filed a petition in lieu of the filing fee with the candidate's application for a place on the ballot; or

(3) an officeholder who filed a petition in lieu of the filing fee with the application for a place on the ballot as a candidate for the office held by the officeholder.

(c) The commission shall by rule determine the amount of the annual fee under this section in an amount, not to exceed \$100, that the commission determines necessary for the administration of this title.

(d) The commission shall adopt rules to implement this section.

SECTION 4.02. Same as engrossed version.

SECTION 4.03. Same as engrossed version.

SECTION 4.04. Same as engrossed version.

SECTION 4.04. Chapter 252, Election Code, is amended.

No equivalent provision.

SECTION 4.05. Subsections (a), (c), (d), and (g), Section 254.0311, Election Code, are amended.

SECTION 4.06. Section 254.036, Election Code, is amended.

SECTION 4.07. Subsection (c), Section 254.0405, Election Code, is amended.

SECTION 4.08. Subsections (a) and (b), Section 254.042, Election Code, are amended.

SECTION 4.09. Subchapter C, Chapter 254, Election Code, is amended.

SECTION 4.10. Section 254.095, Election Code, is amended.

SECTION 4.11. Section 254.157, Election Code, is amended.

SECTION 4.12. Section 254.158, Election Code, is amended.

No equivalent provision.

SECTION 4.05. Same as engrossed version.

SECTION 4.06. Subsection (a), Section 253.158, Election Code, is amended to read as follows:

(a) For purposes of Sections 253.155 and 253.157, a contribution by the [~~spouse or~~] child of an individual is considered to be a contribution by the individual.

SECTION 4.07. Same as engrossed version.

SECTION 4.08. Same as engrossed version.

SECTION 4.09. Same as engrossed version.

SECTION 4.10. Same as engrossed version.

SECTION 4.11. Same as engrossed version.

SECTION 4.12. Same as engrossed version.

SECTION 4.13. Same as engrossed version.

SECTION 4.14. Same as engrossed version.

SECTION 4.15. Section 253.158, Election Code, as amended by this Act, applies only to a political contribution accepted on or after the effective date of this Act. A contribution accepted before the effective date of this Act is governed by the law in effect on the date the contribution was accepted or the expenditure was made, and the former law is

continued in effect for that purpose.

SECTION 4.13. The changes in law made by this article apply only to a report required to be filed under Chapter 254, Election Code, on or after the effective date of this Act. A report required to be filed under Chapter 254, Election Code, before the effective date of this Act is governed by the law in effect on the date the report is due, and the former law is continued in effect for that purpose.

SECTION 4.16. Same as engrossed version.

SECTION 4.14. (a) Not later than September 15, 2013, each legislative caucus in existence on September 1, 2013, shall appoint a caucus chair and file a caucus chair appointment with the Texas Ethics Commission as required by Subchapter B, Chapter 252, Election Code, as added by this Act. Notwithstanding Section 254.0311, Election Code, as amended by this Act:

SECTION 4.17. Same as engrossed version.

(1) not later than October 1, 2013, a legislative caucus shall file a report under Section 254.0311, Election Code, as that section existed before amendment by this Act, that covers the period beginning July 1, 2013, or the day the caucus is organized, as applicable, and continuing through September 15, 2013; and

(2) not later than January 15, 2014, a legislative caucus chair appointed under this subsection shall file a report under Section 254.0311, Election Code, as amended by this Act, that covers the period beginning September 15, 2013, and continuing through December 31, 2013.

(b) A legislative caucus chair appointed under Subsection (a) of this section is not responsible for:

(1) reporting caucus activity that occurs before September 15, 2013; or

(2) maintaining records of caucus activity that occurs before September 15, 2013.

ARTICLE 5. LOBBYING

ARTICLE 5. LOBBYING

SECTION 5.01. Section 305.002, Government Code, is amended.

SECTION 5.01. Same as engrossed version.

SECTION 5.02. Subsection (b), Section 305.0021, Government Code, is amended.

SECTION 5.03. Section 305.003, Government Code, is amended by adding Subsections (b-3) and (b-4) to read as follows:

(b-3) Subsection (a)(2) does not require a person to register if the person spends not more than 26 hours for which the person is compensated or reimbursed during the calendar quarter engaging in activity to communicate directly with a member of the legislative or executive branch to influence legislation or administrative action.

(b-4) If a person spends more than eight hours in a single day engaging in activity to communicate directly with a member of the legislative or executive branch to influence legislation or administrative action, the person is only considered to have engaged in the activity for eight hours during that day for purposes of Subsection (b-3).

SECTION 5.04. Subsection (a), Section 305.0062, Government Code, is amended to read as follows:

(a) The report filed under Section 305.006 must also contain the total expenditures described by Section 305.006(b) that are directly attributable to members of the legislative or executive branch. The expenditures must be stated in only one of the following categories:

- (1) state senators;
- (2) state representatives;
- (3) elected or appointed state officers, other than those described by Subdivision (1) or (2);
- (4) legislative agency employees;
- (5) executive agency employees;
- (6) the immediate family of a member of the legislative or executive branch;
- (7) guests, when invited by an individual described by Subdivision (1), (2), (3), (4), or (5); ~~and~~
- (8) events to which all legislators are invited;
- (9) events to which a legislative committee and the staff of the legislative committee are invited;

SECTION 5.02. Same as engrossed version.

SECTION 5.03. Section 305.003, Government Code, is amended by adding Subsections (b-3) and (b-4) to read as follows:

(b-3) Subsection (a)(2) does not require a person to register if the person spends not more than 26 hours, or another amount of time determined by the commission, for which the person is compensated or reimbursed during the calendar quarter engaging in activity, including preparatory activity as defined by the commission, to communicate directly with a member of the legislative or executive branch to influence legislation or administrative action.

(b-4) If a person spends more than eight hours in a single day engaging in activity to communicate directly with a member of the legislative or executive branch to influence legislation or administrative action, the person is considered to have engaged in the activity for only eight hours during that day for purposes of Subsection (b-3).

SECTION 5.04. Subsections (a) and (d), Section 305.0062, Government Code, are amended to read as follows:

(a) The report filed under Section 305.006 must also contain the total expenditures described by Section 305.006(b) that are directly attributable to members of the legislative or executive branch. The expenditures must be stated in only one of the following categories:

- (1) state senators;
- (2) state representatives;
- (3) elected or appointed state officers, other than those described by Subdivision (1) or (2);
- (4) legislative agency employees;
- (5) executive agency employees;
- (6) the immediate family of a member of the legislative or executive branch;
- (7) guests, when invited by an individual described by Subdivision (1), (2), (3), (4), or (5); and
- (8) events to which:
 - (A) all legislators are invited;
 - (B) a legislative committee and the staff of the legislative committee are invited;

(10) state senators and the staff of state senators;
(11) state representatives and the staff of state representatives; and
(12) all invited legislative staff.

(C) all state senators and the staff of state senators are invited;
(D) all state representatives and the staff of state representatives are invited; and
(E) all legislative staff are invited.

(d) If a registrant cannot reasonably determine the amount of an expenditure under Section 305.006(b) that is directly attributable to a member of the legislative or executive branch as required by Subsection (a), the registrant shall apportion the expenditure made by that registrant or by others on the registrant's behalf and with the registrant's consent or ratification according to the total number of persons in attendance. However, if an expenditure is for an event described by Subsection (a)(8) ~~[to which all legislators are invited]~~, the registrant shall report the expenditure under Subsection (a)(8) and not under any other subdivision of that subsection or any other provision of this chapter.

SECTION 5.05. Section 305.0064, Government Code, is amended.

SECTION 5.05. Same as engrossed version.

No equivalent provision.

SECTION 5.06. Subsection (c), Section 305.0065, Government Code, is amended to read as follows:

(c) An ~~[The]~~ amended registration filed under Subsection (b) must be written and verified and must contain the information required in Sections 305.005(f)(3), (4), and (6) ~~[Section 305.005]~~.

SECTION 5.06. Section 305.027, Government Code, is amended.

SECTION 5.07. Same as engrossed version.

SECTION 5.07. Subsection (g), Section 305.028, Government Code, is amended.

SECTION 5.08. Same as engrossed version.

SECTION 5.08. Subsections (a) and (c), Section 305.033, Government Code, are amended.

SECTION 5.09. Same as engrossed version.

SECTION 5.09. Subsection (b), Section 305.034, Government Code, is amended.

SECTION 5.10. Same as engrossed version.

SECTION 5.10. The amendment by this article to Subsection (b), Section 305.0021,

SECTION 5.11. Same as engrossed version.

Government Code, is intended to clarify rather than change existing law.

SECTION 5.11. Section 305.003, Government Code, as amended by this article, applies only to a registration or registration renewal required to be filed under Chapter 305, Government Code, on or after the effective date of this Act. A registration or registration renewal required to be filed under Chapter 305, Government Code, before the effective date of this Act is governed by the law in effect on the date the registration or registration renewal is due, and the former law is continued in effect for that purpose.

SECTION 5.12. Section 305.0062, Government Code, as amended by this article, applies only to a report required to be filed under Section 305.006, Government Code, on or after the effective date of this Act. A report required to be filed under Section 305.006, Government Code, before the effective date of this Act is governed by the law in effect on the date the report is due, and the former law is continued in effect for that purpose.

ARTICLE 6. REPEALER

SECTION 6.01. (a) The following provisions are repealed:

- (1) Subsection (j), Section 254.036, Election Code;
- (2) Subsections (b) and (f), Section 254.0401, Election Code;
- (3) Section 571.032, Government Code;
- (4) Section 571.1212, Government Code;
- (5) Subsection (c), Section 572.029, Government Code;
- (6) Subsections (a), (d), and (e), Section 572.030, Government Code; and
- (7) Subsection (c), Section 572.034, Government Code.

(b) The repeal of Subsection (c), Section 572.034, Government Code, applies only to an offense committed on or after the effective date of this Act. An offense committed before the effective date of this Act is governed by the law in effect on the date the offense was committed, and the

SECTION 5.12. Same as engrossed version.

SECTION 5.13. Same as engrossed version.

ARTICLE 6. REPEALER

SECTION 6.01. Same as engrossed version.

former law is continued in effect for that purpose. For purposes of this subsection, an offense was committed before the effective date of this Act if any element of the offense occurred before that date.

ARTICLE 7. EFFECTIVE DATE

SECTION 7.01. This Act takes effect September 1, 2013.

ARTICLE 7. EFFECTIVE DATE

SECTION 7.01. Same as engrossed version.