

By: Huffman, et al.
(Bonnen of Brazoria)

S.B. No. 219

Substitute the following for S.B. No. 219:

By: Morrison

C.S.S.B. No. 219

A BILL TO BE ENTITLED

AN ACT

1
2 relating to ethics of public servants, including the functions and
3 duties of the Texas Ethics Commission; the regulation of political
4 contributions, political advertising, lobbying, and conduct of
5 public servants; and the reporting of political contributions and
6 expenditures and personal financial information; providing civil
7 and criminal penalties.

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

9 ARTICLE 1. GENERAL PROCEDURES OF TEXAS ETHICS COMMISSION

10 SECTION 1.01. Subchapter B, Chapter 571, Government Code,
11 is amended by adding Section 571.033 to read as follows:

12 Sec. 571.033. NOTIFICATION PROCEDURES. The commission
13 shall adopt rules prescribing how the commission will notify any
14 person or provide any notice required by this subtitle, Chapter
15 305, or Title 15, Election Code.

16 SECTION 1.02. Section 571.0671, Government Code, is amended
17 by adding Subsection (d) to read as follows:

18 (d) Electronic report data saved in a commission temporary
19 storage location for later retrieval and editing before the report
20 is filed is confidential and may not be disclosed. After the report
21 is filed, the information disclosed in the report is subject to the
22 law requiring the filing of the report.

1 ARTICLE 2. INQUIRY PROCEDURES AND HEARINGS AND ENFORCEMENT

2 ACTIVITIES OF TEXAS ETHICS COMMISSION

3 SECTION 2.01. Subdivision (2), Section 571.002, Government
4 Code, is amended to read as follows:

5 (2) "Complainant" means an individual who files an
6 inquiry [~~a sworn complaint~~] with the commission.

7 SECTION 2.02. Subsection (a), Section 571.027, Government
8 Code, is amended to read as follows:

9 (a) A member of the commission may not participate in a
10 commission proceeding relating to any of the following actions if
11 the member is the subject of the action:

12 (1) a formal investigation by the commission;

13 (2) an inquiry [~~a sworn complaint~~] filed with the
14 commission; or

15 (3) a motion adopted by vote of at least six members of
16 the commission.

17 SECTION 2.03. Subsection (f), Section 571.069, Government
18 Code, is amended to read as follows:

19 (f) This section may not be construed as limiting or
20 affecting the commission's authority to, on the filing of a motion
21 or receipt of an inquiry [~~a sworn complaint~~], review or investigate
22 the sufficiency of a statement or report.

23 SECTION 2.04. Section 571.073, Government Code, is amended
24 to read as follows:

25 Sec. 571.073. REPORT. On or before December 31 of each
26 even-numbered year, the commission shall report to the governor and
27 legislature. The report must include:

1 (1) each advisory opinion issued by the commission
2 under Subchapter D in the preceding two years;

3 (2) a summary of commission activities in the
4 preceding two years, including:

5 (A) the number of inquiries [~~sworn complaints~~]
6 filed with the commission;

7 (B) the number of inquiries [~~sworn complaints~~]
8 dismissed for noncompliance with statutory form requirements;

9 (C) the number of inquiries [~~sworn complaints~~]
10 dismissed for lack of jurisdiction;

11 (D) the number of inquiries [~~sworn complaints~~]
12 dismissed after a finding of no credible evidence of a violation;

13 (E) the number of inquiries [~~sworn complaints~~]
14 dismissed after a finding of a lack of sufficient evidence to
15 determine whether a violation within the jurisdiction of the
16 commission has occurred;

17 (F) the number of inquiries [~~sworn complaints~~]
18 resolved by the commission through an agreed decision [~~order~~];

19 (G) the number of inquiries [~~sworn complaints~~] in
20 which the commission issued a decision [~~an order~~] finding a
21 violation and the resulting penalties, if any; and

22 (H) the number and amount of civil penalties
23 imposed for failure to timely file a statement or report, the number
24 and amount of those civil penalties fully paid, the number and
25 amount of those civil penalties partially paid, and the number and
26 amount of those civil penalties no part of which has been paid, for
27 each of the following category of statements and reports, listed

1 separately:

2 (i) financial statements required to be
3 filed under Chapter 572;

4 (ii) political contribution and
5 expenditure reports required to be filed under Section 254.063,
6 254.093, 254.123, 254.153, or 254.157, Election Code;

7 (iii) political contribution and
8 expenditure reports required to be filed under Section 254.064(b),
9 254.124(b), or 254.154(b), Election Code;

10 (iv) political contribution and
11 expenditure reports required to be filed under Section 254.064(c),
12 254.124(c), or 254.154(c), Election Code;

13 (v) political contribution and expenditure
14 reports required to be filed under Section 254.038 or 254.039,
15 Election Code; and

16 (vi) political contribution and
17 expenditure reports required to be filed under Section 254.0391,
18 Election Code; and

19 (3) recommendations for any necessary statutory
20 changes.

21 SECTION 2.05. Section 571.076, Government Code, is amended
22 to read as follows:

23 Sec. 571.076. CONTRACT FOR ADMINISTRATION. The commission
24 may contract with persons to administer and carry out this chapter
25 and rules, standards, ~~and~~ orders, and decisions adopted under
26 this chapter, excluding any enforcement authority.

27 SECTION 2.06. The heading to Subchapter E, Chapter 571,

1 Government Code, is amended to read as follows:

2 SUBCHAPTER E. INQUIRY [~~COMPLAINT~~] PROCEDURES AND HEARINGS

3 SECTION 2.07. Section 571.121, Government Code, is amended
4 to read as follows:

5 Sec. 571.121. GENERAL POWERS. (a) The commission may:

6 (1) hold hearings, on its own motion adopted by an
7 affirmative vote of at least six commission members or on an inquiry
8 [~~a sworn complaint~~], and render decisions on inquiries [~~complaints~~]
9 or reports of violations as provided by this chapter; and

10 (2) agree to the settlement of issues.

11 (b) The commission may not consider an inquiry [~~a complaint~~]
12 or vote to investigate a matter outside the commission's
13 jurisdiction.

14 SECTION 2.08. Section 571.1211, Government Code, is amended
15 to read as follows:

16 Sec. 571.1211. DEFINITIONS. In this subchapter, "campaign
17 [~~+~~

18 [~~(1)~~ "Campaign] communication" and "political
19 advertising" have the meanings assigned by Section 251.001,
20 Election Code.

21 [~~(2)~~ "Category One violation" means a violation of a
22 law within jurisdiction of the commission as to which it is
23 generally not difficult to ascertain whether the violation occurred
24 or did not occur, including:

25 [~~(A)~~ the failure by a person required to file a
26 statement or report to:

27 [~~(i)~~ file the required statement or report

1 ~~in a manner that complies with applicable requirements; or~~
2 ~~[(ii) timely file the required statement or~~
3 ~~report;~~

4 ~~[(B) a violation of Section 255.001, Election~~
5 ~~Code;~~

6 ~~[(C) a misrepresentation in political~~
7 ~~advertising or a campaign communication relating to the office held~~
8 ~~by a person in violation of Section 255.006, Election Code;~~

9 ~~[(D) a failure to include in any written~~
10 ~~political advertising intended to be seen from a road the~~
11 ~~right-of-way notice in violation of Section 255.007, Election Code;~~

12 ~~or~~

13 ~~[(E) a failure to timely respond to a written~~
14 ~~notice under Section 571.123(b).~~

15 ~~[(3) "Category Two violation" means a violation of a~~
16 ~~law within the jurisdiction of the commission that is not a Category~~
17 ~~One violation.]~~

18 SECTION 2.09. Subchapter E, Chapter 571, Government Code,
19 is amended by adding Section 571.1213 to read as follows:

20 Sec. 571.1213. CATEGORIZATION OF VIOLATIONS. (a) The
21 commission staff shall categorize, in ascending order of
22 seriousness, each violation of law alleged in an inquiry or on a
23 motion of the commission as:

- 24 (1) a technical, clerical, or de minimis violation;
25 (2) an administrative or filing violation; or
26 (3) a more serious violation.

27 (b) The commission shall adopt rules defining what

1 violations of law are included in each category of violation.

2 SECTION 2.10. Subchapter E, Chapter 571, Government Code,
3 is amended by adding Section 571.1214 to read as follows:

4 Sec. 571.1214. RESOLUTION OF VIOLATIONS. (a) The
5 commission staff and the commission shall resolve an inquiry or
6 motion in the form corresponding to the most serious category of
7 violation alleged in the inquiry or motion as provided in this
8 section.

9 (b) An inquiry or motion alleging a technical, clerical, or
10 de minimis violation must be resolved in a letter of
11 acknowledgment.

12 (c) An inquiry or motion alleging an administrative or
13 filing violation must be resolved in a notice of administrative or
14 filing error.

15 (d) An inquiry or motion alleging a more serious violation
16 must be resolved in a notice of violation.

17 SECTION 2.11. Section 571.122, Government Code, as amended
18 by Chapters 604 (H.B. 677) and 1166 (H.B. 3218), Acts of the 81st
19 Legislature, Regular Session, 2009, is amended to read as follows:

20 Sec. 571.122. FILING OF INQUIRY [~~COMPLAINT~~]; CONTENTS.

21 (a) An individual may file with the commission an inquiry [~~a sworn~~
22 ~~complaint~~] alleging that a person subject to a law administered and
23 enforced by the commission has violated a rule adopted by or a law
24 administered and enforced by the commission. An inquiry [~~A sworn~~
25 ~~complaint~~] must be filed on a form prescribed by the commission.
26 The commission shall make the inquiry [~~complaint~~] form available on
27 the Internet. The form prescribed by the commission must require

1 the complainant to provide the following information for both the
2 complainant and the respondent:

- 3 (1) the person's name;
- 4 (2) the person's telephone number;
- 5 (3) the person's electronic mail address, if known;
- 6 and
- 7 (4) the physical address of the person's home or
8 business.

9 (b) An inquiry [~~A complaint~~] filed under this section must
10 be in writing and under oath and must set forth in simple, concise,
11 and direct statements:

- 12 (1) the name of the complainant;
- 13 (2) the street or mailing address of the complainant;
- 14 (3) the name of each respondent;
- 15 (4) the position or title of each respondent;
- 16 (5) the nature of the alleged violation, including if
17 possible the specific rule or provision of law alleged to have been
18 violated;
- 19 (6) a statement of the facts constituting the alleged
20 violation and the dates on which or period of time in which the
21 alleged violation occurred; and
- 22 (7) all documents or other material available to the
23 complainant that are relevant to the allegation, a list of all
24 documents or other material within the knowledge of the complainant
25 and available to the complainant that are relevant to the
26 allegation but that are not in the possession of the complainant,
27 including the location of the documents, if known, and a list of all

1 documents or other material within the knowledge of the complainant
2 that are unavailable to the complainant and that are relevant to the
3 inquiry [~~complaint~~], including the location of the documents, if
4 known.

5 (b-1) An individual must be a resident of this state to be
6 eligible to file an inquiry [~~a sworn complaint~~] with the
7 commission. A copy of one of the following documents must be
8 attached to the inquiry [~~complaint~~]:

9 (1) the complainant's driver's license or personal
10 identification certificate issued under Chapter 521,
11 Transportation Code, or commercial driver's license issued under
12 Chapter 522, Transportation Code; or

13 (2) a utility bill, bank statement, government check,
14 paycheck, or other government document that:

15 (A) shows the name and address of the
16 complainant; and

17 (B) is dated not more than 30 days before the date
18 on which the inquiry [~~complaint~~] is filed.

19 (b-2) [~~(b-1)~~] To be eligible to file an inquiry [~~a sworn~~
20 ~~complaint~~] with the commission, an individual must be a resident of
21 this state or must own real property in this state. A copy of one
22 of the following documents must be attached to the inquiry
23 [~~complaint~~]:

24 (1) the complainant's driver's license or personal
25 identification certificate issued under Chapter 521,
26 Transportation Code, or commercial driver's license issued under
27 Chapter 522, Transportation Code;

1 (2) a utility bill, bank statement, government check,
2 paycheck, or other government document that:

3 (A) shows the name and address of the
4 complainant; and

5 (B) is dated not more than 30 days before the date
6 on which the inquiry [~~complaint~~] is filed; or

7 (3) a property tax bill, notice of appraised value, or
8 other government document that:

9 (A) shows the name of the complainant;

10 (B) shows the address of real property in this
11 state; and

12 (C) identifies the complainant as the owner of
13 the real property.

14 (c) The inquiry [~~complaint~~] must be accompanied by an
15 affidavit stating that the information contained in the inquiry
16 [~~complaint~~] is either correct or that the complainant has good
17 reason to believe and does believe that the violation occurred. If
18 the inquiry [~~complaint~~] is based on information and belief, the
19 inquiry [~~complaint~~] shall state the source and basis of the
20 information and belief. The complainant may swear to the facts by
21 oath before a notary public or other authorized official.

22 (d) The inquiry [~~complaint~~] must state on its face an
23 allegation that, if true, constitutes a violation of a rule adopted
24 by or a law administered and enforced by the commission.

25 (e) It is not a valid basis of an inquiry [~~a complaint~~] to
26 allege that a report required under Chapter 254, Election Code,
27 contains the improper name or address of a person from whom a

1 political contribution was received if the name or address in the
2 report is the same as the name or address that appears on the check
3 for the political contribution.

4 SECTION 2.12. Section 571.1221, Government Code, is amended
5 to read as follows:

6 Sec. 571.1221. DISMISSAL OF INQUIRY [~~COMPLAINT~~] FILED AT
7 DIRECTION OR URGING OF NONRESIDENT. At any stage of a proceeding
8 under this subchapter, the commission shall dismiss the inquiry
9 [~~complaint~~] if the commission determines that the inquiry
10 [~~complaint~~] was filed at the direction or urging of a person who is
11 not a resident of this state.

12 SECTION 2.13. Section 571.1222, Government Code, is amended
13 to read as follows:

14 Sec. 571.1222. DISMISSAL OF INQUIRY [~~COMPLAINT~~]
15 CHALLENGING CERTAIN INFORMATION IN POLITICAL REPORT. At any stage
16 of a proceeding under this subchapter, the commission shall dismiss
17 an inquiry [~~a complaint~~] to the extent the inquiry [~~complaint~~]
18 alleges that a report required under Chapter 254, Election Code,
19 contains the improper name or address of a person from whom a
20 political contribution was received if the name or address in the
21 report is the same as the name or address that appears on the check
22 for the political contribution.

23 SECTION 2.14. Section 571.123, Government Code, is amended
24 to read as follows:

25 Sec. 571.123. PROCESSING OF INQUIRY [~~COMPLAINT~~]. (a) The
26 commission shall determine whether an inquiry [~~a sworn complaint~~]
27 filed with the commission complies with the form requirements of

1 Section 571.122.

2 (a-1) [~~(b)~~] After an inquiry [~~a complaint~~] is filed, the
3 commission shall immediately attempt to contact and notify the
4 respondent of the inquiry [~~complaint by telephone or electronic~~
5 ~~mail~~].

6 (b) Not later than the fifth business day after the date an
7 inquiry [~~a complaint~~] is filed, the commission shall notify [~~send~~
8 ~~written notice to~~] the complainant and the respondent as to [~~The~~
9 ~~written notice to the complainant and the respondent must~~]:

10 (1) [~~state~~] whether the inquiry [~~complaint~~] complies
11 with the form requirements of Section 571.122; and

12 (2) if the respondent is a candidate or officeholder,
13 [~~state~~] the procedure by which the respondent may designate an
14 agent with whom commission staff may discuss the inquiry
15 [~~complaint, and~~

16 [~~(3) if applicable, include the information required~~
17 ~~by Section 571.124(c)~~].

18 (c) If the commission determines that the inquiry
19 [~~complaint~~] does not comply with the form requirements, the
20 commission shall return [~~send~~] the inquiry [~~complaint~~] to the
21 complainant with [~~the written notice,~~] a statement explaining how
22 the inquiry [~~complaint~~] fails to comply [~~7~~] and a copy of the rules
23 for filing inquiries [~~sworn complaints~~]. The commission shall
24 provide [~~send~~] a copy of the rejected inquiry [~~complaint~~] to the
25 respondent with [~~the written notice and~~] the statement explaining
26 how the inquiry [~~complaint~~] fails to comply. The complainant may
27 resubmit the inquiry [~~complaint~~] not later than the 21st day after

1 the date the complainant is notified [~~notice~~] under Subsection (b)
2 [~~is mailed~~]. If the commission determines that the inquiry
3 [~~complaint~~] is not resubmitted within the 21-day period, the
4 commission shall:

5 (1) dismiss the inquiry [~~complaint~~]; and

6 (2) not later than the fifth business day after the
7 date of the dismissal, notify [~~send written notice to~~] the
8 complainant and the respondent of the dismissal and the grounds for
9 dismissal.

10 (d) If the commission determines that an inquiry [~~a~~
11 ~~complaint~~] is resubmitted under Subsection (c) within the 21-day
12 period but is not in proper form, the commission shall return the
13 inquiry to the complainant as provided in [~~send the notice required~~
14 ~~under~~] Subsection (c), and the complainant may resubmit the inquiry
15 [~~complaint~~] under that subsection.

16 (e) If the commission determines that an inquiry [~~a~~
17 ~~complaint~~] returned to the complainant under Subsection (c) or (d)
18 is resubmitted within the 21-day period and that the inquiry
19 [~~complaint~~] complies with the form requirements, the commission
20 shall notify the complainant and respondent [~~send the written~~
21 ~~notice~~] under Subsection (b).

22 SECTION 2.15. Subsection (b), Section 571.1231, Government
23 Code, is amended to read as follows:

24 (b) A respondent to an inquiry [~~a complaint~~] filed against
25 the respondent may by writing submitted to the commission designate
26 an agent with whom the commission staff may communicate regarding
27 the inquiry [~~complaint~~].

1 SECTION 2.16. Section 571.124, Government Code, is amended
2 to read as follows:

3 Sec. 571.124. PRELIMINARY REVIEW: INITIATION. (a) The
4 commission staff shall promptly conduct a preliminary review on
5 receipt of a written inquiry [~~complaint~~] that is in compliance with
6 the form requirements of Section 571.122.

7 (b) On a motion adopted by an affirmative vote of at least
8 six commission members, the commission staff, without an inquiry [~~a~~
9 ~~sworn complaint~~], may undertake [~~initiate~~] a preliminary review of
10 the matter that is the subject of the motion.

11 (c) The executive director shall determine in writing
12 whether the commission has jurisdiction over the violation of law
13 alleged in an inquiry [~~a sworn complaint~~] processed under Section
14 571.123.

15 (e) If the executive director determines that the
16 commission has jurisdiction, the notification [~~notice~~] under
17 Section 571.123(b) must include:

18 (1) a statement that the commission has jurisdiction
19 over the violation of law alleged in the inquiry [~~complaint~~];

20 (2) a statement of whether the inquiry [~~complaint~~]
21 will be processed as a technical, clerical, or de minimis
22 violation, an administrative or filing violation, or a more serious
23 violation [~~Category One violation or a Category Two violation,~~
24 ~~subject to reconsideration as provided for by Section 571.1212~~];

25 (3) the date by which the respondent is required to
26 respond to the notification [~~notice~~];

27 (4) a copy of the inquiry [~~complaint~~] and the rules of

1 procedure of the commission;

2 (5) a statement of the rights of the respondent;

3 (6) a statement inviting the respondent to provide to
4 the commission any information relevant to the inquiry [~~complaint~~];
5 and

6 (7) a statement that a failure to timely respond to the
7 notification [~~notice~~] will be treated as a separate violation.

8 (f) If the executive director determines that the
9 commission does not have jurisdiction over the violation alleged in
10 the inquiry [~~complaint~~], the executive director shall:

11 (1) dismiss the inquiry [~~complaint~~]; and

12 (2) not later than the fifth business day after the
13 date of the dismissal, notify [~~send to~~] the complainant and the
14 respondent [~~written notice~~] of the dismissal and the grounds for
15 the dismissal.

16 SECTION 2.17. Subsections (a) and (c), Section 571.1241,
17 Government Code, are amended to read as follows:

18 (a) If the executive director determines that the
19 commission does not have jurisdiction over the violation alleged in
20 the inquiry [~~complaint~~], the complainant may request that the
21 commission review the determination. A request for review under
22 this section must be filed not later than the 30th day after the
23 date the complainant receives the executive director's
24 determination.

25 (c) Not later than the fifth business day after the date of
26 the commission's determination under this section, the commission
27 shall notify [~~send written notice to~~] the complainant and the

1 respondent as to [~~stating~~] whether the commission has jurisdiction
2 over the violation alleged in the inquiry [~~complaint~~]. If the
3 commission determines that the commission has jurisdiction, the
4 notification [~~notice~~] must include the items listed in Section
5 571.124(e).

6 SECTION 2.18. Section 571.1242, Government Code, is amended
7 to read as follows:

8 Sec. 571.1242. PRELIMINARY REVIEW: RESPONSE BY RESPONDENT.

9 (a) If the alleged violation is a technical, clerical, or de
10 minimis [~~Category One~~] violation:

11 (1) the respondent must respond to the notification
12 [~~notice~~] required by Section 571.123(b) not later than the 10th
13 business day after the date the respondent is notified [~~receives~~
14 ~~the notice~~]; and

15 (2) if the matter is not resolved by agreement between
16 the commission and the respondent before the 30th business day
17 after the date the respondent is notified [~~receives the notice~~]
18 under Section 571.123(b), the commission shall set the matter for a
19 preliminary review hearing [~~to be held at the next commission~~
20 ~~meeting for which notice has not yet been posted~~].

21 (b) If the alleged violation is an administrative or filing
22 violation or a more serious [~~a Category Two~~] violation:

23 (1) the respondent must respond to the notification
24 [~~notice~~] required by Section 571.123(b) not later than the 25th
25 business day after the date the respondent is notified [~~receives~~
26 ~~the notice~~] under Section 571.123(b); and

27 (2) if the matter is not resolved by agreement between

1 the commission and the respondent before the 75th business day
2 after the date the respondent is notified [~~receives the notice~~]
3 under Section 571.123(b), the commission shall set the matter for a
4 preliminary review hearing [~~to be held at the next commission~~
5 ~~meeting for which notice has not yet been posted~~].

6 (c) A respondent's failure to timely respond as required by
7 Subsection (a)(1) or (b)(1) is a [~~Category One~~] violation.

8 (d) The response required to the notification under Section
9 571.123(b) [~~by Subsection (a) or (b)~~] must include any challenge
10 the respondent seeks to raise to the commission's exercise of
11 jurisdiction. In addition, the respondent may:

12 (1) acknowledge the occurrence or commission of a
13 violation;

14 (2) deny the allegations contained in the inquiry
15 [~~complaint~~] and provide evidence supporting the denial; or

16 (3) agree to enter into a letter of acknowledgment [~~an~~
17 ~~assurance of voluntary compliance~~] or other agreed decision
18 [~~order~~], which may include an agreement to immediately cease and
19 desist.

20 [~~(c) If the commission sets the matter for a preliminary~~
21 ~~review hearing, the commission shall promptly send to the~~
22 ~~complainant and the respondent written notice of the date, time,~~
23 ~~and place of the preliminary review hearing.~~]

24 SECTION 2.19. Subchapter E, Chapter 571, Government Code,
25 is amended by adding Section 571.12421 to read as follows:

26 Sec. 571.12421. PRELIMINARY REVIEW: PROCEDURE. (a) The
27 commission shall adopt procedures by rule for the conduct of:

1 (1) a preliminary review of an inquiry or motion that
2 alleges a technical, clerical, or de minimis violation;

3 (2) a preliminary review of an inquiry or motion that
4 alleges an administrative or filing violation; and

5 (3) a preliminary review of an inquiry or motion that
6 alleges a more serious violation.

7 (b) If an inquiry or motion alleges violations of different
8 categories, the commission staff shall conduct a preliminary review
9 of the inquiry or motion according to the procedure for the most
10 serious category of violation alleged in the inquiry or motion.

11 (c) If, in the course of conducting a preliminary review,
12 the commission staff determines that the violation alleged in the
13 inquiry or motion was initially categorized incorrectly, the
14 commission staff shall continue conducting the preliminary review
15 according to the procedure for the correct category of violation.

16 (d) If an inquiry or motion alleges more than one violation,
17 the commission staff may conduct a single preliminary review of the
18 alleged violations or conduct a separate preliminary review for
19 each violation.

20 SECTION 2.20. Subchapter E, Chapter 571, Government Code,
21 is amended by adding Section 571.12431 to read as follows:

22 Sec. 571.12431. PRELIMINARY REVIEW: RESOLUTION.

23 (a) After conducting a preliminary review of an inquiry or motion,
24 the commission staff shall propose a resolution of the inquiry or
25 motion to the respondent in the form corresponding to the category
26 of violation alleged in the inquiry or motion or, if the inquiry or
27 motion alleges multiple violations, in the form corresponding to

1 the most serious category of violation.

2 (b) Except as provided by other law or commission rule, if
3 the respondent accepts the resolution, the commission staff shall
4 submit to the commission for approval the letter of acknowledgment,
5 notice of administrative or filing error, or notice of violation in
6 which the resolution was proposed to the respondent.

7 (c) If the respondent rejects the resolution, the
8 commission shall set the inquiry or motion for a preliminary review
9 hearing.

10 SECTION 2.21. Section 571.1244, Government Code, is amended
11 to read as follows:

12 Sec. 571.1244. PRELIMINARY REVIEW AND PRELIMINARY REVIEW
13 HEARING PROCEDURES. (a) The commission shall adopt procedures for
14 the conduct of preliminary reviews and preliminary review hearings.
15 The procedures must include:

16 (1) a reasonable time for responding to questions
17 submitted by the commission and commission staff and subpoenas
18 issued by the commission; and

19 (2) the tolling or extension of otherwise applicable
20 deadlines where:

21 (A) the commission issues a subpoena and the
22 commission's meeting schedule makes it impossible both to provide a
23 reasonable time for response and to comply with the otherwise
24 applicable deadlines; or

25 (B) the commission determines that, despite
26 commission staff's diligence and the reasonable cooperation of the
27 respondent, a matter is too complex to resolve within the otherwise

1 applicable deadlines without compromising either the commission
2 staff's investigation or the rights of the respondent.

3 (b) The commission by rule shall adopt procedures for the
4 commission's review of a letter of acknowledgment, a notice of
5 administrative or filing error, or a notice of violation submitted
6 to the commission under Section 571.12431(b) or 571.126(f).

7 (c) The commission by rule shall adopt procedures for the
8 disposition of an inquiry or motion if the respondent does not
9 respond to a resolution of the inquiry or motion proposed to the
10 respondent under Section 571.12431 or 571.126.

11 SECTION 2.22. Section 571.125, Government Code, is amended
12 to read as follows:

13 Sec. 571.125. PRELIMINARY REVIEW HEARING: PROCEDURE.

14 (a) A panel of two members of the [~~The~~] commission shall conduct a
15 preliminary review hearing if:

16 (1) following the preliminary review, the [~~commission~~
17 ~~and the~~] respondent does not [~~cannot~~] agree to the resolution of the
18 inquiry or motion proposed by the commission staff [~~disposition of~~
19 ~~the complaint or motion~~]; or

20 (2) the respondent in writing requests a hearing.

21 (b) The commission shall notify [~~provide written notice to~~]
22 the complainant, if any, and the respondent of the date, time, and
23 place the panel [~~commission~~] will conduct the preliminary review
24 hearing.

25 (c) At or after the time the commission notifies the
26 complainant, if any, and the respondent [~~provides notice~~] of a
27 preliminary review hearing, the commission may submit to the

1 complainant and the respondent written questions and require those
2 questions to be answered under oath within a reasonable time.

3 (d) During a preliminary review hearing, the panel
4 [~~commission~~]:

5 (1) may consider all submitted evidence related to the
6 inquiry [~~complaint~~] or to the subject matter of a motion under
7 Section 571.124(b);

8 (2) may review any documents or material related to
9 the inquiry [~~complaint~~] or to the motion; and

10 (3) shall determine whether there is credible evidence
11 that provides cause for the panel [~~commission~~] to conclude that a
12 violation within the jurisdiction of the commission has occurred.

13 (e) During a preliminary review hearing, the respondent may
14 appear before the panel [~~commission~~] with the assistance of
15 counsel, if desired by the respondent, and present any relevant
16 evidence, including a written statement.

17 SECTION 2.23. Subchapter E, Chapter 571, Government Code,
18 is amended by adding Section 571.1251 to read as follows:

19 Sec. 571.1251. SELECTION OF PANEL TO CONDUCT PRELIMINARY
20 REVIEW HEARING. The commission shall adopt rules for the selection
21 of members of the commission to serve on panels to conduct
22 preliminary review hearings. The rules shall ensure that:

23 (1) a panel is composed of two members of the
24 commission; and

25 (2) each member of the panel is a member of a different
26 political party.

27 SECTION 2.24. Section 571.126, Government Code, is amended

1 to read as follows:

2 Sec. 571.126. PRELIMINARY REVIEW HEARING: RESOLUTION.

3 (a) Except as provided in Subsection (e), as [As] soon as
4 practicable after the completion of a preliminary review hearing,
5 the panel [commission] by vote shall issue a decision stating:

6 (1) whether there is credible evidence for the panel
7 [commission] to determine that a violation within the jurisdiction
8 of the commission has occurred and whether the violation is a
9 technical, clerical, or de minimis violation, an administrative or
10 filing violation, or a more serious violation; or

11 (2) that there is insufficient evidence for the panel
12 [commission] to determine whether a violation within the
13 jurisdiction of the commission has occurred.

14 (b) If the panel [commission] determines that there is
15 credible evidence for the panel [commission] to determine that a
16 violation within the jurisdiction of the commission has occurred,
17 the panel [commission] shall prepare a resolution of the inquiry or
18 motion to propose to the respondent [resolve and settle the
19 complaint or motion] to the extent possible. If the panel
20 [commission] successfully prepares a resolution [resolves and
21 settles the complaint or motion], not later than the fifth business
22 day after the date the panel prepares the resolution [of the final
23 resolution of the complaint or motion], the commission shall
24 provide [send to the complainant, if any, and] the respondent a copy
25 of the decision stating the panel's [commission's] determination
26 and the panel's proposed resolution of the inquiry or motion in the
27 appropriate form [written notice of the resolution and the terms of

1 ~~the resolution~~]. If the panel [~~commission~~] is unsuccessful in
2 preparing a resolution or the respondent rejects the resolution
3 ~~[resolving and settling the complaint or motion]~~, the panel
4 [~~commission~~] shall:

5 (1) order a formal hearing to be held in accordance
6 with Sections 571.127 [~~571.129~~] through 571.132; and

7 (2) not later than the fifth business day after, as
8 applicable, the date the panel determines that there is credible
9 evidence to determine that a violation has occurred or the date the
10 respondent rejects a resolution prepared by the panel, provide [~~of~~
11 ~~the decision, send to~~] the complainant, if any, and the respondent
12 with:

13 (A) a copy of the decision;

14 (B) [~~written~~] notice of the date, time, and place
15 of the formal hearing;

16 (C) a statement of the nature of the alleged
17 violation;

18 (D) a description of the evidence of the alleged
19 violation;

20 (E) a copy of the inquiry [~~complaint~~] or motion;

21 (F) a copy of the commission's rules of
22 procedure; and

23 (G) a statement of the rights of the respondent.

24 (c) If the panel [~~commission~~] determines that there is
25 credible evidence for the panel [~~commission~~] to determine that a
26 violation within the jurisdiction of the commission has not
27 occurred[~~, the commission shall~~]:

1 (1) the panel shall dismiss the inquiry [~~complaint~~] or
2 motion; and

3 (2) the commission shall, not later than the fifth
4 business day after the date of the dismissal, provide [~~send to~~] the
5 complainant, if any, and the respondent with a copy of the decision
6 stating the panel's [~~commission's~~] determination and [~~written~~]
7 notice of the dismissal and the grounds for dismissal.

8 (d) If the panel [~~commission~~] determines that there is
9 insufficient credible evidence for the panel [~~commission~~] to
10 determine that a violation within the jurisdiction of the
11 commission has occurred, the panel [~~commission~~] may dismiss the
12 inquiry [~~complaint~~] or motion or promptly order [~~conduct~~] a formal
13 hearing to be held under Sections 571.127 [~~571.129~~] through
14 571.132. Not later than the fifth business day after the date of
15 the panel's [~~commission's~~] determination under this subsection, the
16 commission shall provide [~~send to~~] the complainant, if any, and the
17 respondent with a copy of the decision stating the panel's
18 [~~commission's~~] determination and [~~written~~] notice of the grounds
19 for the determination.

20 (e) If, because of a tie vote, the panel cannot issue a
21 decision under Subsection (a), the panel shall order a formal
22 hearing to be held under Sections 571.127 through 571.132. Not
23 later than the fifth business day after the date of the vote, the
24 commission shall notify the complainant, if any, and the respondent
25 of the date, time, and place of the hearing.

26 (f) Except as provided by other law or commission rule, if
27 the respondent accepts the resolution in Subsection (b), the panel

1 shall submit to the commission for approval the letter of
2 acknowledgment, notice of administrative or filing error, or notice
3 of violation in which the resolution was proposed to the
4 respondent.

5 SECTION 2.25. Subchapter E, Chapter 571, Government Code,
6 is amended by adding Section 571.127 to read as follows:

7 Sec. 571.127. FORMAL HEARING: CONDUCT. The commission may
8 conduct a formal hearing under this subchapter or may delegate to
9 the State Office of Administrative Hearings the responsibility of
10 conducting a formal hearing under this subchapter.

11 SECTION 2.26. Subsections (a) and (c), Section 571.132,
12 Government Code, are amended to read as follows:

13 (a) Not later than the 30th business day after the date the
14 State Office of Administrative Hearings issues a proposal for
15 decision, the commission shall convene a meeting and by motion
16 shall issue:

17 (1) a final decision stating the resolution of the
18 formal hearing in the form corresponding to the category of
19 violation alleged in the inquiry or motion that was the subject of
20 the hearing; and

21 (2) a written report stating in detail the
22 commission's findings of fact, conclusions of law, and
23 recommendation of criminal referral or imposition of a civil
24 penalty, if any.

25 (c) Not later than the fifth business day after the date the
26 commission issues the final decision and written report, the
27 commission shall:

1 (1) provide [~~send~~] a copy of the decision and report to
2 the complainant, if any, and to the respondent; and

3 (2) make a copy of the decision and report available to
4 the public during reasonable business hours.

5 SECTION 2.27. Section 571.133, Government Code, is amended
6 to read as follows:

7 Sec. 571.133. APPEAL OF FINAL DECISION. (a) A respondent
8 who has exhausted all administrative remedies under this subchapter
9 and who is aggrieved by a final decision of the commission may seek
10 judicial review of the decision by pursuing an appeal.

11 (b) To appeal a final decision of the commission, the
12 respondent or the respondent's agent may file a petition in a
13 district court in Travis County or in the county in which the
14 respondent resides.

15 (c) [~~(b)~~] The petition must be filed not later than the 30th
16 business day after the date the respondent received the decision.

17 (d) [~~(c)~~] Not later than the 30th day after the date on
18 which the petition is filed, the respondent may request that the
19 appeal be transferred to a district court in Travis County or in the
20 county in which the respondent resides, as appropriate. The court
21 in which the appeal is originally filed shall transfer the appeal to
22 a district court in the other county on receipt of the request.

23 (e) Judicial review under this section shall be conducted in
24 the manner provided for judicial review of a contested case under
25 Chapter 2001, Government Code, and is governed by the substantial
26 evidence rule.

27 ~~[(d) An appeal brought under this section is not limited to~~

1 ~~questions of law, and the substantial evidence rule does not apply.~~
2 ~~The action shall be determined by trial de novo. The reviewing~~
3 ~~court shall try all issues of fact and law in the manner applicable~~
4 ~~to other civil suits in this state but may not admit in evidence the~~
5 ~~fact of prior action by the commission or the nature of that action,~~
6 ~~except to the limited extent necessary to show compliance with~~
7 ~~statutory provisions that vest jurisdiction in the court. A party~~
8 ~~is entitled, on demand, to a jury determination of any issue of fact~~
9 ~~on which a jury determination is available in other civil suits in~~
10 ~~this state.]~~

11 SECTION 2.28. Section 571.134, Government Code, is amended
12 to read as follows:

13 Sec. 571.134. DELAY OF REFERRAL. If an alleged violation
14 involves an election in which the alleged violator is a candidate, a
15 candidate's campaign treasurer, or the campaign treasurer of a
16 political committee supporting or opposing a candidate and the
17 inquiry [~~complaint~~] is filed within 60 days before the date of the
18 election, the commission shall delay referral until:

- 19 (1) the day after election day;
- 20 (2) the day after runoff election day if an ensuing
21 runoff involving the alleged violator is held; or
- 22 (3) the day after general election day if the election
23 involved in the violation is a primary election and the alleged
24 violator is involved in the succeeding general election.

25 SECTION 2.29. Subsection (b), Section 571.135, Government
26 Code, is amended to read as follows:

- 27 (b) The materials must include:

- 1 (1) a description of:
- 2 (A) the commission's responsibilities;
- 3 (B) the types of conduct that constitute a
4 violation of a law within the jurisdiction of the commission;
- 5 (C) the types of sanctions the commission may
6 impose;
- 7 (D) the commission's policies and procedures
8 relating to inquiry [~~complaint~~] investigation and resolution; and
- 9 (E) the duties of a person filing an inquiry [~~a
10 complaint~~] with the commission; and
- 11 (2) a diagram showing the basic steps in the
12 commission's procedures relating to inquiry [~~complaint~~]
13 investigation and resolution.

14 SECTION 2.30. Section 571.1351, Government Code, is amended
15 to read as follows:

16 Sec. 571.1351. STATUS OF INQUIRY [~~COMPLAINT~~]. (a) The
17 commission shall keep an information file about each inquiry [~~sworn
18 or other complaint~~] filed with the commission. The file must
19 include:

- 20 (1) the name of the person who filed the inquiry
21 [~~complaint~~];
- 22 (2) the date the inquiry [~~complaint~~] is received by
23 the commission;
- 24 (3) the subject matter of the inquiry [~~complaint~~];
- 25 (4) the name of each person contacted in relation to
26 the inquiry [~~complaint~~];
- 27 (5) a summary of the results of the review or

1 investigation of the inquiry [~~complaint~~]; and

2 (6) an explanation of the reason the file was closed,
3 if the commission closed the file without taking action other than
4 to investigate the inquiry [~~complaint~~].

5 (b) The commission shall provide to the person filing the
6 inquiry [~~complaint~~] and to each person who is a subject of the
7 inquiry [~~complaint~~] a copy of the commission's policies and
8 procedures relating to inquiry [~~complaint~~] investigation and
9 resolution.

10 (c) In addition to the notice required by Sections 571.123
11 through 571.132, the commission, at least quarterly until final
12 disposition of an inquiry [~~a complaint~~], shall notify the person
13 who filed the inquiry [~~complaint~~] and each person who is a subject
14 of the inquiry [~~complaint~~], if any, of the status of the inquiry
15 [~~sworn or other complaint~~].

16 SECTION 2.31. Section 571.136, Government Code, is amended
17 to read as follows:

18 Sec. 571.136. EXTENSION OF DEADLINE. The commission may,
19 on its own motion or on the reasonable request of a respondent,
20 extend any deadline for action relating to an inquiry [~~a sworn~~
21 ~~complaint~~], motion, preliminary review hearing, or formal hearing.

22 SECTION 2.32. Subsection (a), Section 571.137, Government
23 Code, is amended to read as follows:

24 (a) In connection with a formal hearing, the commission, as
25 authorized by this chapter, may subpoena and examine witnesses and
26 documents that directly relate to an inquiry [~~a sworn complaint~~].

27 SECTION 2.33. Section 571.139, Government Code, is amended

1 to read as follows:

2 Sec. 571.139. APPLICABILITY OF OTHER ACTS. (a) Except as
3 provided by Section 571.140(b), Chapter 552 does not apply to
4 documents or any additional evidence relating to the processing,
5 preliminary review, preliminary review hearing, or resolution of an
6 inquiry [~~a sworn complaint~~] or motion.

7 (b) Chapter 551 does not apply to the processing,
8 preliminary review, preliminary review hearing, or resolution of an
9 inquiry [~~a sworn complaint~~] or motion, but does apply to a formal
10 hearing held under Sections 571.127 [~~571.129~~] through 571.131.

11 (c) Subchapters C through H, Chapter 2001, apply only to a
12 formal hearing under this subchapter, the resolution of a formal
13 hearing, and the appeal of a final decision [~~order~~] of the
14 commission, and only to the extent consistent with this chapter.

15 SECTION 2.34. Subsections (a), (b), and (b-1), Section
16 571.140, Government Code, are amended to read as follows:

17 (a) Except as provided by Subsection (b) or (b-1) or by
18 Section 571.171, proceedings at a preliminary review hearing
19 performed by a panel of members of the commission, an inquiry [~~a~~
20 ~~sworn complaint~~], and documents and any additional evidence
21 relating to the processing, preliminary review, preliminary review
22 hearing, or resolution of an inquiry [~~a sworn complaint~~] or motion
23 are confidential and may not be disclosed unless entered into the
24 record of a formal hearing or a judicial proceeding, except that a
25 document or statement that was previously public information
26 remains public information.

27 (b) A notice of administrative or filing error or a notice

1 of violation approved [~~An order issued~~] by the commission under
2 Section 571.12431(b) or 571.126(f) after the completion of a
3 preliminary review or hearing [~~determining that a violation other~~
4 ~~than a technical or de minimis violation has occurred~~] is not
5 confidential. A letter of acknowledgment approved by the
6 commission under Section 571.12431(b) or 571.126(f) after the
7 completion of a preliminary review or hearing is confidential.

8 (b-1) A commission employee may, for the purpose of
9 investigating an inquiry [~~a sworn complaint~~] or motion, disclose to
10 the complainant, the respondent, or a witness information that is
11 otherwise confidential and relates to the inquiry [~~sworn complaint~~]
12 if:

13 (1) the employee makes a good faith determination that
14 the disclosure is necessary to conduct the investigation;

15 (2) the employee's determination under Subdivision (1)
16 is objectively reasonable;

17 (3) the executive director authorizes the disclosure;
18 and

19 (4) the employee discloses only the information
20 necessary to conduct the investigation.

21 SECTION 2.35. Section 571.141, Government Code, is amended
22 to read as follows:

23 Sec. 571.141. AVAILABILITY OF CERTAIN NOTICES AND DECISIONS
24 [~~COMMISSION ORDERS~~] ON INTERNET. (a) As soon as practicable
25 following a preliminary review, preliminary review hearing, or
26 formal hearing at which the commission staff, a panel of members of
27 the commission, or the commission determines that a person has

1 committed a violation within the commission's jurisdiction, the
2 commission shall make available on the Internet:

3 (1) a copy of the notice of administrative or filing
4 error or notice of violation approved or issued by the commission
5 ~~[commission's order stating the determination]~~; or

6 (2) a summary of the notice ~~[commission's order]~~.

7 (b) This section does not apply to a letter of
8 acknowledgment ~~[determination of a violation that is technical or~~
9 ~~de minimis]~~.

10 (c) If at a preliminary review, preliminary review hearing,
11 or formal hearing, the commission staff, a panel of members of the
12 commission, or the commission does not find that a person has
13 committed a violation within the commission's jurisdiction or
14 dismisses the inquiry or motion at issue, the commission shall, on
15 the person's request and waiver of confidentiality, make available
16 on the Internet a copy of the decision or notice of dismissal.

17 SECTION 2.36. Section 571.142, Government Code, is amended
18 to read as follows:

19 Sec. 571.142. LIABILITY FOR RESPONDENT'S COSTS. (a) This
20 section applies only to an inquiry ~~[a sworn complaint]~~ if:

21 (1) the inquiry ~~[complaint]~~ was filed after the 30th
22 day before the date of an election;

23 (2) the respondent is a candidate in the election; and

24 (3) the inquiry ~~[complaint]~~ alleges an administrative
25 or filing ~~[a]~~ violation or a more serious violation ~~[other than a~~
26 ~~technical or clerical violation]~~.

27 (b) If, in disposing of an inquiry ~~[a sworn complaint]~~ to

1 which this section applies, the commission determines that a
2 violation within the commission's jurisdiction has not occurred,
3 the complainant is liable for the respondent's reasonable and
4 necessary attorney's fees and other costs incurred in defending
5 against the inquiry [~~complaint~~].

6 (c) This section does not apply to an inquiry [~~a sworn~~
7 ~~complaint~~] regarding a reporting omission required by law.

8 SECTION 2.37. Subsection (b), Section 571.171, Government
9 Code, is amended to read as follows:

10 (b) On receipt of an inquiry [~~a sworn complaint~~], if the
11 executive director reasonably believes that the person who is the
12 subject of the inquiry [~~complaint~~] has violated Chapter 36 or 39,
13 Penal Code, the executive director may refer the matter to the
14 appropriate prosecuting attorney for criminal prosecution.

15 SECTION 2.38. Section 571.173, Government Code, is amended
16 to read as follows:

17 Sec. 571.173. CIVIL PENALTY FOR DELAY OR VIOLATION.

18 (a) The commission and the commission staff may impose a civil
19 penalty of not more than \$5,000 or triple the amount at issue under
20 a law administered and enforced by the commission, whichever amount
21 is more, for a delay in complying with a commission order or
22 decision or for a violation of a law administered and enforced by
23 the commission.

24 (b) The commission shall adopt guidelines for the
25 commission and the commission staff to follow when imposing a civil
26 penalty under this section. The guidelines must direct the
27 commission or the commission staff to consider the factors

1 described by Section 571.177.

2 (c) The commission or the commission staff shall impose a
3 civil penalty on a respondent who accepts or is issued a notice of
4 administrative or filing error or a notice of violation under this
5 chapter.

6 (d) When imposing a civil penalty under Subsection (c), the
7 commission is not required to consider any penalties previously
8 proposed to the respondent at an earlier stage of review.

9 (e) The commission or the commission staff may not impose a
10 civil penalty on a respondent who accepts or is issued a letter of
11 acknowledgment under this chapter.

12 SECTION 2.39. Section 571.176, Government Code, is amended
13 to read as follows:

14 Sec. 571.176. CIVIL PENALTY FOR FRIVOLOUS OR BAD-FAITH
15 INQUIRY [~~COMPLAINT~~]. (a) The commission may impose a civil
16 penalty of not more than \$10,000 for the filing of a frivolous or
17 bad-faith inquiry [~~complaint~~]. In this subsection, "frivolous
18 inquiry [~~complaint~~]" means an inquiry [~~a complaint~~] that is
19 groundless and brought in bad faith or is groundless and brought for
20 the purpose of harassment.

21 (b) In addition to other penalties, a person who files a
22 frivolous inquiry [~~complaint~~] is civilly liable to the respondent
23 in an amount equal to the greater of \$10,000 or the amount of actual
24 damages incurred by the respondent, including court costs and
25 attorney fees.

26 (c) A person may file an inquiry [~~a sworn complaint~~] with
27 the commission, in accordance with Section 571.122, alleging that

1 an inquiry [~~a complaint~~] relating to that person filed with the
2 commission is frivolous or brought in bad faith. An inquiry [~~A~~
3 ~~complaint~~] may be filed under this subsection without regard to
4 whether the inquiry [~~complaint~~] alleged to be frivolous or brought
5 in bad faith is pending before the commission or has been resolved.
6 The commission shall act on an inquiry [~~a complaint~~] made under this
7 subsection as provided by Subchapter E.

8 SECTION 2.40. Section 571.177, Government Code, is amended
9 to read as follows:

10 Sec. 571.177. FACTORS CONSIDERED FOR ASSESSMENT OF
11 SANCTION. The commission or the commission staff shall consider
12 the following factors in assessing a sanction:

13 (1) the seriousness of the violation, including the
14 nature, circumstances, consequences, extent, and gravity of the
15 violation;

16 (2) the history and extent of previous violations;

17 (3) the demonstrated good faith of the violator,
18 including actions taken to rectify the consequences of the
19 violation;

20 (4) the penalty necessary to deter future violations;

21 and

22 (5) any other matters that justice may require.

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

26 (b) The changes in law made by this article apply only to an
27 inquiry filed with the Texas Ethics Commission under Section

1 571.122, Government Code, or a motion adopted by the commission
2 under Subsection (b), Section 571.124, Government Code, on or after
3 December 1, 2013. A sworn complaint filed with the Texas Ethics
4 Commission under Section 571.122, Government Code, or a motion
5 adopted by the commission under Subsection (b), Section 571.124,
6 Government Code, before that date is governed by the law in effect
7 on the date the complaint is filed or the motion is adopted, and the
8 former law is continued in effect for that purpose.

9 ARTICLE 3. PERSONAL FINANCIAL STATEMENTS

10 SECTION 3.01. Section 571.0671, Government Code, is amended
11 to read as follows:

12 Sec. 571.0671. REQUIREMENTS FOR ELECTRONIC FILING
13 SOFTWARE. (a) Computer software provided or approved by the
14 commission for use under Section 254.036(b), Election Code, or
15 Section 302.013, ~~[or]~~ 305.0064, or 572.0291 must:

16 (1) use a standardized format for the entry of names,
17 addresses, and zip codes;

18 (2) provide for secure and encoded transmission of
19 data from the computer of a person filing a report to the computers
20 used by the commission;

21 (3) be capable of being used by a person with basic
22 computing skills;

23 (4) provide confirmation to a person filing a report
24 that the report was properly received; and

25 (5) permit a person using a computer to prepare a
26 report or to retrieve information from a report to import
27 information to the report from a variety of computer software

1 applications that meet commission specifications for a standard
2 file format or export information from the report to a variety of
3 computer software applications that meet commission specifications
4 for a standard file format without the need to reenter information.

5 (b) Before determining the specifications for computer
6 software developed, purchased, or licensed for use under Section
7 254.036, Election Code, or Section 302.013, ~~[or]~~ 305.0064, or
8 572.0291, the commission shall conduct at least one public hearing
9 to discuss the specifications. For at least 10 days following the
10 hearing, the commission shall accept public comments concerning the
11 software specifications.

12 (c) The commission may provide software for use under
13 Section 254.036(b), Election Code, or Section 302.013, ~~[or]~~
14 305.0064, or 572.0291 by making the software available on the
15 Internet. If the commission makes the software available on the
16 Internet, the commission is not required to provide the software on
17 computer diskettes, CD-ROMs, or other storage media without charge
18 to persons required to file reports under that section, but may
19 charge a fee for providing the software on storage media. A fee
20 under this subsection may not exceed the cost to the commission of
21 providing the software.

22 SECTION 3.02. Subchapter B, Chapter 572, Government Code,
23 is amended by adding Section 572.0291 to read as follows:

24 Sec. 572.0291. ELECTRONIC FILING REQUIRED. A financial
25 statement filed with the commission must be filed by computer
26 diskette, modem, or other means of electronic transfer, using
27 computer software provided by the commission or computer software

1 that meets commission specifications for a standard file format.

2 SECTION 3.03. Subchapter B, Chapter 572, Government Code,
3 is amended by adding Section 572.0292 to read as follows:

4 Sec. 572.0292. PREPARATION OF FORMS. The commission shall
5 design forms that may be used for filing a financial statement with
6 an authority other than the commission.

7 SECTION 3.04. The heading to Section 572.030, Government
8 Code, is amended to read as follows:

9 Sec. 572.030. NOTIFICATION OF FILING REQUIREMENT
10 [~~PREPARATION AND MAILING OF FORMS~~].

11 SECTION 3.05. Subsections (b) and (c), Section 572.030,
12 Government Code, are amended to read as follows:

13 (b) The commission shall notify [~~mail to~~] each individual
14 required to file under this subchapter of [~~a notice that~~]:

15 (1) the requirement [~~states~~] that the individual [~~is~~
16 ~~required to~~] file a financial statement under this subchapter;

17 (2) [~~identifies~~] the filing dates for the financial
18 statement as provided by Sections 572.026 and 572.027; and

19 (3) [~~describes~~] the manner in which the individual may
20 electronically file the financial statement and access

21 instructions for filing financial statements on [~~obtain the~~
22 ~~financial statement forms and instructions from~~] the commission's

23 Internet website[~~+~~

24 [~~(4) states that on request of the individual, the~~
25 ~~commission will mail to the individual a copy of the financial~~
26 ~~statement forms and instructions; and~~

27 [~~(5) states, if applicable, the fee for mailing the~~

1 ~~forms and instructions and the manner in which the individual may~~
2 ~~pay the fee].~~

3 (c) The notification [~~notice~~] required by Subsection (b)
4 must be provided [~~mailed~~]:

5 (1) before the 30th day before the deadline for filing
6 the financial statement under Section 572.026(a) or (c), except as
7 otherwise provided by this subsection;

8 (2) not later than the 15th day after the applicable
9 deadline for filing an application for a place on the ballot or a
10 declaration of write-in candidacy for candidates required to file
11 under Section 572.027(a), (b), or (c);

12 (3) not later than the seventh day after the date of
13 appointment for individuals required to file under Section
14 572.026(b), or if the legislature is in session, sooner if
15 possible; and

16 (4) not later than the fifth day after the date the
17 certificate of nomination is filed for candidates required to file
18 under Section 572.027(d) [~~574.027(d)~~].

19 SECTION 3.06. Subsection (b), Section 572.031, Government
20 Code, is amended to read as follows:

21 (b) If the commission determines that an individual has
22 failed to file the statement in compliance with this subchapter,
23 the commission shall notify [~~send a written statement of the~~
24 ~~determination to~~] the appropriate prosecuting attorney for
25 [~~attorneys of~~] the state of the determination.

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

1 follows:

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

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

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

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

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

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

16 SECTION 3.08. Subsections (a) and (b), Section 572.033,
17 Government Code, are amended to read as follows:

18 (a) The commission shall determine from any available
19 evidence whether a statement required to be filed under this
20 subchapter is late. On making a determination that the statement is
21 late, the commission shall notify ~~[immediately mail a notice of the~~
22 ~~determination to]~~ the individual responsible for filing the
23 statement and ~~[to]~~ the appropriate prosecuting attorney for the
24 state of the determination.

25 (b) If a statement is determined to be late, the individual
26 responsible for filing the statement is liable to the state for a
27 civil penalty of \$500. If a statement is more than 30 days late, the

1 commission shall issue a warning of liability [~~by registered mail~~]
2 to the individual responsible for the filing. If the penalty is not
3 paid before the 10th day after the date on which the warning is
4 received, the individual is liable for a civil penalty in an amount
5 determined by commission rule, but not to exceed \$10,000.

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

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

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

13 (d) The timeliness of the filing is governed by Section
14 572.029, Government Code. In addition, a financial statement that
15 is not filed by electronic mail is timely filed if it is properly
16 addressed and placed in the United States post office or in the
17 hands of a common or contract carrier not later than the last day
18 for filing the financial statement. The post office cancellation
19 mark or the receipt mark of a common or contract carrier is prima
20 facie evidence of the date the statement was deposited with the post
21 office or carrier. The individual filing the statement may show by
22 competent evidence that the actual date of posting was different
23 from that shown by the mark.

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

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

1 filing by electronic mail.

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

4 (b) The timeliness of the filing is governed by Section
5 572.029, Government Code. In addition, a financial statement that
6 is not filed by electronic mail is timely filed if it is properly
7 addressed and placed in the United States post office or in the
8 hands of a common or contract carrier not later than the last day
9 for filing the financial statement. The post office cancellation
10 mark or the receipt mark of a common or contract carrier is prima
11 facie evidence of the date the statement was deposited with the post
12 office or carrier. The individual filing the statement may show by
13 competent evidence that the actual date of posting was different
14 from that shown by the mark.

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

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

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

22 (c) A financial statement filed with the county clerk may be
23 filed by electronic mail. The county clerk may prescribe
24 guidelines for filing by electronic mail under this subsection.

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

27 (b) The timeliness of the filing is governed by Section

1 572.029, Government Code. In addition, a financial statement that
2 is not filed by electronic mail is timely filed if it is properly
3 addressed and placed in the United States post office or in the
4 hands of a common or contract carrier not later than the last day
5 for filing the financial statement. The post office cancellation
6 mark or the receipt mark of a common or contract carrier is prima
7 facie evidence of the date the statement was deposited with the post
8 office or carrier. The individual filing the statement may show by
9 competent evidence that the actual date of posting was different
10 from that shown by the mark.

11 SECTION 3.16. As soon as practicable after the effective
12 date of this Act, the Texas Ethics Commission shall develop or
13 approve the computer software that a person may use to
14 electronically file a financial statement under Chapter 572,
15 Government Code, as provided by the changes in law made by this
16 article.

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

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

1 quickly redact information in the statement. A financial statement
2 filed before that date is governed by the law in effect on the date
3 of filing, and the former law is continued in effect for that
4 purpose.

5 ARTICLE 4. CAMPAIGN FINANCE

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

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

14 (b) This section does not apply to:

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

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

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

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

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

3 SECTION 4.02. The heading to Chapter 252, Election Code, is
4 amended to read as follows:

5 CHAPTER 252. CAMPAIGN TREASURER, LEGISLATIVE CAUCUS CHAIR, AND
6 PRINCIPAL POLITICAL COMMITTEE

7 SECTION 4.03. Chapter 252, Election Code, is amended by
8 designating Sections 252.001 through 252.015 as Subchapter A and
9 adding a subchapter heading to read as follows:

10 SUBCHAPTER A. CAMPAIGN TREASURER

11 SECTION 4.04. Section 252.001, Election Code, is amended to
12 read as follows:

13 Sec. 252.001. APPOINTMENT OF CAMPAIGN TREASURER REQUIRED.
14 Except as provided in Subchapter C, each [~~Each~~ candidate and each
15 political committee shall appoint a campaign treasurer as provided
16 by this subchapter [~~chapter~~].

17 SECTION 4.05. Chapter 252, Election Code, is amended by
18 adding Subchapters B and C to read as follows:

19 SUBCHAPTER B. LEGISLATIVE CAUCUS CHAIR

20 Sec. 252.051. APPOINTMENT OF LEGISLATIVE CAUCUS CHAIR
21 REQUIRED. Each legislative caucus, as defined by Section 253.0341,
22 shall appoint a caucus chair as required by this subchapter.

23 Sec. 252.052. CONTENTS OF APPOINTMENT; AUTHORITY WITH WHOM
24 FILED. (a) A legislative caucus chair appointment must be in
25 writing and must include:

- 26 (1) the caucus's full name;
- 27 (2) the caucus chair's name;

1 (3) the caucus's mailing address;

2 (4) the caucus's telephone number; and

3 (5) the name of the person making the appointment.

4 (b) A legislative caucus must file its caucus chair
5 appointment with the commission.

6 (c) A legislative caucus must notify the commission in
7 writing of any change in the caucus's mailing address not later than
8 the 10th day after the date on which the change occurs.

9 SUBCHAPTER C. PRINCIPAL POLITICAL COMMITTEE

10 Sec. 252.101. DESIGNATION OF PRINCIPAL POLITICAL
11 COMMITTEE. (a) A candidate required to file a campaign treasurer
12 appointment with the commission or an officeholder of an office for
13 which a candidate is required to file a campaign treasurer
14 appointment with the commission may designate a specific-purpose
15 committee as the principal political committee for the candidate or
16 officeholder with the responsibility of reporting any activity of
17 the candidate or officeholder for which the candidate or
18 officeholder would otherwise be required to file a report under
19 Chapter 254.

20 (b) A candidate who designates a principal political
21 committee under this subchapter is not required to appoint a
22 campaign treasurer under Subchapter A.

23 (c) A designation of a principal political committee must be
24 in writing and filed with the commission.

25 Sec. 252.102. LIMITATION ON DESIGNATION OF AND AS PRINCIPAL
26 POLITICAL COMMITTEE. (a) A candidate or officeholder may
27 designate only one specific-purpose committee as the candidate's or

1 officeholder's principal political committee.

2 (b) A specific-purpose committee may be designated as the
3 principal political committee for only one candidate or
4 officeholder.

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

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

10 SECTION 4.07. Subsections (a), (c), (d), and (g), Section
11 254.0311, Election Code, are amended to read as follows:

12 (a) A legislative caucus's caucus chair shall file a report
13 of contributions and expenditures as required by this section.

14 (c) If no reportable activity occurs during a reporting
15 period, the legislative caucus chair shall indicate that fact in
16 the report.

17 (d) A legislative caucus's caucus chair shall file with the
18 commission two reports for each year.

19 (g) A legislative caucus's caucus chair shall maintain a
20 record of all reportable activity under this section and shall
21 preserve the record for at least two years beginning on the filing
22 deadline for the report containing the information in the record.

23 SECTION 4.08. Section 254.036, Election Code, is amended by
24 amending Subsections (c) and (c-1) and adding Subsections (d) and
25 (d-1) to read as follows:

26 (c) A candidate, officeholder, or political committee that
27 is required to file reports with the commission may file reports

1 that comply with Subsection (a) if:

2 (1) the candidate, officeholder, or campaign
3 treasurer of the committee files with the commission an affidavit
4 stating that the candidate, officeholder, or committee, an agent of
5 the candidate, officeholder, or committee, or a person with whom
6 the candidate, officeholder, or committee contracts does not use
7 computer equipment to keep the current records of political
8 contributions, political expenditures, or persons making political
9 contributions to the candidate, officeholder, or committee; and

10 (2) the candidate, officeholder, or committee has
11 never [~~does not~~], in a calendar year, accepted [~~accept~~] political
12 contributions that in the aggregate exceeded [~~exceed~~] \$20,000 or
13 made [~~make~~] political expenditures that in the aggregate exceeded
14 [~~exceed~~] \$20,000.

15 (c-1) An affidavit under Subsection (c) must be filed with
16 each report filed under Subsection (a). The affidavit must include
17 a statement that the candidate, officeholder, or political
18 committee understands that the candidate, officeholder, or
19 committee shall file reports as required by Subsection (b) if:

20 (1) the candidate, officeholder, or committee, a
21 consultant of the candidate, officeholder, or committee, or a
22 person with whom the candidate, officeholder, or committee
23 contracts uses computer equipment for a purpose described by
24 Subsection (c); or

25 (2) the candidate, officeholder, or committee ever
26 exceeds \$20,000 in political contributions or political
27 expenditures in a calendar year.

1 (d) A legislative caucus may file reports that comply with
2 Subsection (a) if:

3 (1) the legislative caucus chair files with the
4 commission an affidavit stating that the caucus, an agent of the
5 caucus, or a person with whom the caucus contracts does not use
6 computer equipment to keep the current records of contributions,
7 expenditures, or persons making contributions to the caucus; and

8 (2) the caucus has never, in a calendar year, accepted
9 contributions that in the aggregate exceeded \$20,000 or made
10 expenditures that in the aggregate exceeded \$20,000.

11 (d-1) An affidavit under Subsection (d) must be filed with
12 each report filed under Subsection (a). The affidavit must include
13 a statement that the legislative caucus understands that the caucus
14 shall file reports as required by Subsection (b) if:

15 (1) the caucus, a consultant of the caucus, or a person
16 with whom the caucus contracts uses computer equipment for a
17 purpose described by Subsection (d); or

18 (2) the caucus ever exceeds \$20,000 in contributions
19 or expenditures in a calendar year.

20 SECTION 4.09. Subsection (c), Section 254.0405, Election
21 Code, is amended to read as follows:

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

25 (1) the amendment is made before any inquiry
26 [~~complaint~~] is filed with regard to the subject of the amendment;

27 and

1 (2) the original report was made in good faith and
2 without an intent to mislead or to misrepresent the information
3 contained in the report.

4 SECTION 4.10. Subsections (a) and (b), Section 254.042,
5 Election Code, are amended to read as follows:

6 (a) The commission shall determine from any available
7 evidence whether a report required to be filed with the commission
8 under this chapter is late. On making that determination, the
9 commission shall immediately notify [~~mail a notice of the~~
10 ~~determination to~~] the person required to file the report of the
11 determination.

12 (b) If a report other than a report under Section
13 254.064(c), 254.124(c), or 254.154(c) or the first report under
14 Section 254.063 or 254.123 that is required to be filed following
15 the primary or general election is determined to be late, the person
16 required to file the report is liable to the state for a civil
17 penalty of \$500. If a report under Section 254.064(c), 254.124(c),
18 or 254.154(c) or the first report under Section 254.063 or 254.153
19 that is required to be filed following the primary or general
20 election is determined to be late, the person required to file the
21 report is liable to the state for a civil penalty of \$500 for the
22 first day the report is late and \$100 for each day thereafter that
23 the report is late. If a report is more than 30 days late, the
24 commission shall issue a warning of liability [~~by registered mail~~]
25 to the person required to file the report. If the penalty is not
26 paid before the 10th day after the date on which the warning is
27 received, the person is liable for a civil penalty in an amount

1 determined by commission rule, but not to exceed \$10,000.

2 SECTION 4.11. Subchapter C, Chapter 254, Election Code, is
3 amended by adding Section 254.067 to read as follows:

4 Sec. 254.067. REPORT NOT REQUIRED. If during any reporting
5 period prescribed by this subchapter a candidate designates a
6 specific-purpose committee as the candidate's principal political
7 committee as provided by Section 252.101, the candidate is not
8 required to file a report covering that period if the candidate's
9 principal political committee reports all of the activity that
10 would otherwise be required to be included in the report,
11 including:

12 (1) the amount of any political contribution,
13 including any loan, made by the candidate to the principal
14 political committee; and

15 (2) the amount of any political expenditure made by
16 the candidate from personal funds and whether the candidate intends
17 to seek reimbursement of the expenditure from the principal
18 political committee.

19 SECTION 4.12. Section 254.095, Election Code, is amended to
20 read as follows:

21 Sec. 254.095. REPORT NOT REQUIRED. (a) If at the end of
22 any reporting period prescribed by this subchapter an officeholder
23 who is required to file a report with an authority other than the
24 commission has not accepted political contributions that in the
25 aggregate exceed \$500 or made political expenditures that in the
26 aggregate exceed \$500, the officeholder is not required to file a
27 report covering that period.

1 (b) If during any reporting period prescribed by this
2 subchapter an officeholder designates a specific-purpose committee
3 as the officeholder's principal political committee as provided by
4 Section 252.101, the officeholder is not required to file a report
5 covering that period if the officeholder's principal political
6 committee reports all of the activity that would otherwise be
7 required to be included in the report, including:

8 (1) the amount of any political contribution,
9 including any loan, made by the officeholder to the principal
10 political committee; and

11 (2) the amount of any political expenditure made by
12 the officeholder from personal funds and whether the officeholder
13 intends to seek reimbursement of the expenditure from the principal
14 political committee.

15 SECTION 4.13. Section 254.157, Election Code, is amended to
16 read as follows:

17 Sec. 254.157. MONTHLY REPORTING SCHEDULE. (a) The
18 campaign treasurer of a general-purpose committee filing monthly
19 reports shall file a report not later than the 10th [~~fifth~~] day of
20 the month following the period covered by the report. A report
21 covering the month preceding an election in which the committee is
22 involved must be received by the commission [~~authority with whom~~
23 ~~the report is required to be filed~~] not later than the 10th [~~fifth~~]
24 day of the month following the period covered by the report.

25 (b) A monthly report covers the period beginning the first
26 calendar [~~26th~~] day of each month and continuing through the last
27 calendar [~~25th~~] day of that [~~the following~~] month[, ~~except that the~~

1 ~~period covered by the first report begins January 1 and continues~~
2 ~~through January 25].~~

3 SECTION 4.14. Section 254.158, Election Code, is amended to
4 read as follows:

5 Sec. 254.158. EXCEPTION TO MONTHLY REPORTING SCHEDULE. If
6 the campaign treasurer appointment of a general-purpose committee
7 filing monthly reports is filed after January 1 of the year in which
8 monthly reports are filed, the period covered by the first monthly
9 report begins the day the appointment is filed and continues
10 through the last calendar [~~25th~~] day of the month in which the
11 appointment is filed unless the appointment is filed the last
12 calendar [~~25th or a succeeding~~] day of the month. In that case, the
13 period continues through the last calendar [~~25th~~] day of the month
14 following the month in which the appointment is filed.

15 SECTION 4.15. Section 253.158, Election Code, as amended by
16 this Act, applies only to a political contribution accepted on or
17 after the effective date of this Act. A contribution accepted
18 before the effective date of this Act is governed by the law in
19 effect on the date the contribution was accepted or the expenditure
20 was made, and the former law is continued in effect for that
21 purpose.

22 SECTION 4.16. The changes in law made by this article apply
23 only to a report required to be filed under Chapter 254, Election
24 Code, on or after the effective date of this Act. A report required
25 to be filed under Chapter 254, Election Code, before the effective
26 date of this Act is governed by the law in effect on the date the
27 report is due, and the former law is continued in effect for that

1 purpose.

2 SECTION 4.17. (a) Not later than September 15, 2013, each
3 legislative caucus in existence on September 1, 2013, shall appoint
4 a caucus chair and file a caucus chair appointment with the Texas
5 Ethics Commission as required by Subchapter B, Chapter 252,
6 Election Code, as added by this Act. Notwithstanding Section
7 254.0311, Election Code, as amended by this Act:

8 (1) not later than October 1, 2013, a legislative
9 caucus shall file a report under Section 254.0311, Election Code,
10 as that section existed before amendment by this Act, that covers
11 the period beginning July 1, 2013, or the day the caucus is
12 organized, as applicable, and continuing through September 15,
13 2013; and

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

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

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

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

25 ARTICLE 5. LOBBYING

26 SECTION 5.01. Section 305.002, Government Code, is amended
27 by adding Subdivision (2-a) to read as follows:

1 (2-a) "Communicates directly with a member of the
2 legislative or executive branch to influence legislation or
3 administrative action" or any variation of the phrase includes
4 establishing goodwill with the member for the purpose of later
5 communicating with the member to influence legislation or
6 administrative action.

7 SECTION 5.02. Subsection (b), Section 305.0021, Government
8 Code, is amended to read as follows:

9 (b) For purposes of Section 36.02 or 36.10, Penal Code, a
10 person described by Subsection (a)(2)(A) is not considered to have
11 made an expenditure [~~the amount of a joint expenditure that is~~
12 ~~attributed to a person who is not a registrant is not an expenditure~~
13 ~~made and reported~~] in accordance with this chapter.

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

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

24 (b-4) If a person spends more than eight hours in a single
25 day engaging in activity to communicate directly with a member of
26 the legislative or executive branch to influence legislation or
27 administrative action, the person is considered to have engaged in

1 the activity for only eight hours during that day for purposes of
2 Subsection (b-3).

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

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

- 10 (1) state senators;
- 11 (2) state representatives;
- 12 (3) elected or appointed state officers, other than
13 those described by Subdivision (1) or (2);
- 14 (4) legislative agency employees;
- 15 (5) executive agency employees;
- 16 (6) the immediate family of a member of the
17 legislative or executive branch;
- 18 (7) guests, when invited by an individual described by
19 Subdivision (1), (2), (3), (4), or (5); and
- 20 (8) events to which:
 - 21 (A) all legislators are invited;
 - 22 (B) a legislative committee and the staff of the
23 legislative committee are invited;
 - 24 (C) all state senators and the staff of state
25 senators are invited;
 - 26 (D) all state representatives and the staff of
27 state representatives are invited; and

1 (E) all legislative staff are invited.

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

14 SECTION 5.05. Section 305.0064, Government Code, is amended
15 by adding Subsection (c) to read as follows:

16 (c) The rules adopted by the commission under Subsection (b)
17 may not allow a registrant to file a paper registration or report if
18 the registrant has ever used the electronic filing system under
19 Subsection (a).

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

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

25 SECTION 5.07. Section 305.027, Government Code, is amended
26 by adding Subsection (f) to read as follows:

27 (f) In this section, "legislative advertising" does not

1 include material that is printed or published by a member of the
2 legislative branch and that is only disseminated by a member of the
3 legislature on the floor of either house of the legislature.

4 SECTION 5.08. Subsection (g), Section 305.028, Government
5 Code, is amended to read as follows:

6 (g) The commission may receive inquiries [~~complaints~~]
7 regarding a violation of this section. If the commission
8 determines a violation of this section has occurred, the
9 commission, after notice and hearing:

10 (1) shall impose a civil penalty in an amount not to
11 exceed \$2,000; and

12 (2) may rescind the person's registration and may
13 prohibit the person from registering with the commission for a
14 period not to exceed two years from the date of the rescission of
15 the person's registration.

16 SECTION 5.09. Subsections (a) and (c), Section 305.033,
17 Government Code, are amended to read as follows:

18 (a) The commission shall determine from any available
19 evidence whether a registration or report required to be filed with
20 the commission under this chapter is late. A registration filed
21 without the fee required by Section 305.005 is considered to be
22 late. On making a determination that a required registration or
23 report is late, the commission shall immediately notify [~~mail a~~
24 ~~notice of the determination to~~] the person responsible for the
25 filing[~~, to the commission,~~] and [~~to~~] the appropriate attorney for
26 the state of the determination.

27 (c) If a registration or report is more than 30 days late,

1 the commission shall issue a warning of liability [~~by registered~~
2 ~~mail~~] to the person responsible for the filing. If the penalty is
3 not paid before the 10th day after the date on which the warning is
4 received, the person is liable for a penalty in an amount determined
5 by commission rule, but not to exceed \$10,000.

6 SECTION 5.10. Subsection (b), Section 305.034, Government
7 Code, is amended to read as follows:

8 (b) Whenever the commission determines that a person has
9 failed to file any required form, statement, or report as required
10 by this chapter, the commission shall notify the person involved
11 [~~send a written statement~~] of this finding [~~to the person involved.~~
12 ~~Notice to the person involved must be sent by certified mail~~].

13 SECTION 5.11. The amendment by this article to Subsection
14 (b), Section 305.0021, Government Code, is intended to clarify
15 rather than change existing law.

16 SECTION 5.12. Section 305.003, Government Code, as amended
17 by this article, applies only to a registration or registration
18 renewal required to be filed under Chapter 305, Government Code, on
19 or after the effective date of this Act. A registration or
20 registration renewal required to be filed under Chapter 305,
21 Government Code, before the effective date of this Act is governed
22 by the law in effect on the date the registration or registration
23 renewal is due, and the former law is continued in effect for that
24 purpose.

25 SECTION 5.13. Section 305.0062, Government Code, as amended
26 by this article, applies only to a report required to be filed under
27 Section 305.006, Government Code, on or after the effective date of

1 this Act. A report required to be filed under Section 305.006,
2 Government Code, before the effective date of this Act is governed
3 by the law in effect on the date the report is due, and the former
4 law is continued in effect for that purpose.

5 ARTICLE 6. REPEALER

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

7 (1) Subsection (j), Section 254.036, Election Code;

8 (2) Subsections (b) and (f), Section 254.0401,
9 Election Code;

10 (3) Section 571.032, Government Code;

11 (4) Section 571.1212, Government Code;

12 (5) Subsection (c), Section 572.029, Government Code;

13 (6) Subsections (a), (d), and (e), Section 572.030,
14 Government Code; and

15 (7) Subsection (c), Section 572.034, Government Code.

16 (b) The repeal of Subsection (c), Section 572.034,
17 Government Code, applies only to an offense committed on or after
18 the effective date of this Act. An offense committed before the
19 effective date of this Act is governed by the law in effect on the
20 date the offense was committed, and the former law is continued in
21 effect for that purpose. For purposes of this subsection, an
22 offense was committed before the effective date of this Act if any
23 element of the offense occurred before that date.

24 ARTICLE 7. EFFECTIVE DATE

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