

1-1 By: Huffman, Nichols S.B. No. 219
 1-2 (In the Senate - Filed March 8, 2013; March 12, 2013, read
 1-3 first time and referred to Committee on State Affairs;
 1-4 April 8, 2013, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 8, Nays 0; April 8, 2013,
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10			X	
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 219 By: Lucio

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to ethics of public servants, including the functions and
 1-22 duties of the Texas Ethics Commission; the regulation of political
 1-23 contributions, political advertising, lobbying, and conduct of
 1-24 public servants; and the reporting of political contributions and
 1-25 expenditures and personal financial information; providing civil
 1-26 and criminal penalties.

1-27 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-28 ARTICLE 1. NOTIFICATION PROCEDURES OF TEXAS ETHICS COMMISSION

1-29 SECTION 1.01. Subchapter B, Chapter 571, Government Code,
 1-30 is amended by adding Section 571.033 to read as follows:

1-31 Sec. 571.033. NOTIFICATION PROCEDURES. The commission
 1-32 shall adopt rules prescribing how the commission will notify any
 1-33 person or provide any notice required by this subtitle, Chapter
 1-34 305, or Title 15, Election Code.

1-35 ARTICLE 2. INQUIRY PROCEDURES AND HEARINGS AND ENFORCEMENT

1-36 ACTIVITIES OF TEXAS ETHICS COMMISSION

1-37 SECTION 2.01. Subdivision (2), Section 571.002, Government
 1-38 Code, is amended to read as follows:

1-39 (2) "Complainant" means an individual who files an
 1-40 inquiry [~~a sworn complaint~~] with the commission.

1-41 SECTION 2.02. Subsection (a), Section 571.027, Government
 1-42 Code, is amended to read as follows:

1-43 (a) A member of the commission may not participate in a
 1-44 commission proceeding relating to any of the following actions if
 1-45 the member is the subject of the action:

1-46 (1) a formal investigation by the commission;

1-47 (2) an inquiry [~~a sworn complaint~~] filed with the
 1-48 commission; or

1-49 (3) a motion adopted by vote of at least six members of
 1-50 the commission.

1-51 SECTION 2.03. Subsection (f), Section 571.069, Government
 1-52 Code, is amended to read as follows:

1-53 (f) This section may not be construed as limiting or
 1-54 affecting the commission's authority to, on the filing of a motion
 1-55 or receipt of an inquiry [~~a sworn complaint~~], review or investigate
 1-56 the sufficiency of a statement or report.

1-57 SECTION 2.04. Section 571.073, Government Code, is amended
 1-58 to read as follows:

1-59 Sec. 571.073. REPORT. On or before December 31 of each
 1-60 even-numbered year, the commission shall report to the governor and

2-1 legislature. The report must include:

2-2 (1) each advisory opinion issued by the commission
2-3 under Subchapter D in the preceding two years;

2-4 (2) a summary of commission activities in the
2-5 preceding two years, including:

2-6 (A) the number of inquiries [~~sworn complaints~~]
2-7 filed with the commission;

2-8 (B) the number of inquiries [~~sworn complaints~~]
2-9 dismissed for noncompliance with statutory form requirements;

2-10 (C) the number of inquiries [~~sworn complaints~~]
2-11 dismissed for lack of jurisdiction;

2-12 (D) the number of inquiries [~~sworn complaints~~]
2-13 dismissed after a finding of no credible evidence of a violation;

2-14 (E) the number of inquiries [~~sworn complaints~~]
2-15 dismissed after a finding of a lack of sufficient evidence to
2-16 determine whether a violation within the jurisdiction of the
2-17 commission has occurred;

2-18 (F) the number of inquiries [~~sworn complaints~~]
2-19 resolved by the commission through an agreed decision [~~order~~];

2-20 (G) the number of inquiries [~~sworn complaints~~] in
2-21 which the commission issued a decision [~~an order~~] finding a
2-22 violation and the resulting penalties, if any; and

2-23 (H) the number and amount of civil penalties
2-24 imposed for failure to timely file a statement or report, the number
2-25 and amount of those civil penalties fully paid, the number and
2-26 amount of those civil penalties partially paid, and the number and
2-27 amount of those civil penalties no part of which has been paid, for
2-28 each of the following category of statements and reports, listed
2-29 separately:

2-30 (i) financial statements required to be
2-31 filed under Chapter 572;

2-32 (ii) political contribution and
2-33 expenditure reports required to be filed under Section 254.063,
2-34 254.093, 254.123, 254.153, or 254.157, Election Code;

2-35 (iii) political contribution and
2-36 expenditure reports required to be filed under Section 254.064(b),
2-37 254.124(b), or 254.154(b), Election Code;

2-38 (iv) political contribution and
2-39 expenditure reports required to be filed under Section 254.064(c),
2-40 254.124(c), or 254.154(c), Election Code;

2-41 (v) political contribution and expenditure
2-42 reports required to be filed under Section 254.038 or 254.039,
2-43 Election Code; and

2-44 (vi) political contribution and
2-45 expenditure reports required to be filed under Section 254.0391,
2-46 Election Code; and

2-47 (3) recommendations for any necessary statutory
2-48 changes.

2-49 SECTION 2.05. Section 571.076, Government Code, is amended
2-50 to read as follows:

2-51 Sec. 571.076. CONTRACT FOR ADMINISTRATION. The commission
2-52 may contract with persons to administer and carry out this chapter
2-53 and rules, standards, [~~and~~] orders, and decisions adopted under
2-54 this chapter, excluding any enforcement authority.

2-55 SECTION 2.06. The heading to Subchapter E, Chapter 571,
2-56 Government Code, is amended to read as follows:

2-57 SUBCHAPTER E. INQUIRY [~~COMPLAINT~~] PROCEDURES AND HEARINGS

2-58 SECTION 2.07. Section 571.121, Government Code, is amended
2-59 to read as follows:

2-60 Sec. 571.121. GENERAL POWERS. (a) The commission may:

2-61 (1) hold hearings, on its own motion adopted by an
2-62 affirmative vote of at least six commission members or on an inquiry
2-63 [~~a sworn complaint~~], and render decisions on inquiries [~~complaints~~]
2-64 or reports of violations as provided by this chapter; and

2-65 (2) agree to the settlement of issues.

2-66 (b) The commission may not consider an inquiry [~~a complaint~~]
2-67 or vote to investigate a matter outside the commission's
2-68 jurisdiction.

2-69 SECTION 2.08. Section 571.1211, Government Code, is amended

3-1 to read as follows:

3-2 Sec. 571.1211. DEFINITIONS. In this subchapter, "campaign
 3-3 [
 3-4 ~~[(1) "Campaign]~~ communication" and "political
 3-5 advertising" have the meanings assigned by Section 251.001,
 3-6 Election Code.

3-7 ~~[(2) "Category One violation" means a violation of a~~
 3-8 ~~law within jurisdiction of the commission as to which it is~~
 3-9 ~~generally not difficult to ascertain whether the violation occurred~~
 3-10 ~~or did not occur, including:~~

3-11 ~~[(A) the failure by a person required to file a~~
 3-12 ~~statement or report to:~~

3-13 ~~[(i) file the required statement or report~~
 3-14 ~~in a manner that complies with applicable requirements; or~~

3-15 ~~[(ii) timely file the required statement or~~
 3-16 ~~report;~~

3-17 ~~[(B) a violation of Section 255.001, Election~~
 3-18 ~~Code;~~

3-19 ~~[(C) a misrepresentation in political~~
 3-20 ~~advertising or a campaign communication relating to the office held~~
 3-21 ~~by a person in violation of Section 255.006, Election Code;~~

3-22 ~~[(D) a failure to include in any written~~
 3-23 ~~political advertising intended to be seen from a road the~~
 3-24 ~~right-of-way notice in violation of Section 255.007, Election Code;~~
 3-25 ~~or~~

3-26 ~~[(E) a failure to timely respond to a written~~
 3-27 ~~notice under Section 571.123(b).~~

3-28 ~~[(3) "Category Two violation" means a violation of a~~
 3-29 ~~law within the jurisdiction of the commission that is not a Category~~
 3-30 ~~One violation.]~~

3-31 SECTION 2.09. Subchapter E, Chapter 571, Government Code,
 3-32 is amended by adding Section 571.1213 to read as follows:

3-33 Sec. 571.1213. CATEGORIZATION OF VIOLATIONS. (a) The
 3-34 commission staff shall categorize, in ascending order of
 3-35 seriousness, each violation of law alleged in an inquiry or on a
 3-36 motion of the commission as:

3-37 (1) a technical, clerical, or de minimis violation;

3-38 (2) an administrative or filing violation; or

3-39 (3) a more serious violation.

3-40 (b) The commission shall adopt rules defining what
 3-41 violations of law are included in each category of violation.

3-42 SECTION 2.10. Subchapter E, Chapter 571, Government Code,
 3-43 is amended by adding Section 571.1214 to read as follows:

3-44 Sec. 571.1214. RESOLUTION OF VIOLATIONS. (a) The
 3-45 commission staff and the commission shall resolve an inquiry or
 3-46 motion in the form corresponding to the most serious category of
 3-47 violation alleged in the inquiry or motion as provided in this
 3-48 section.

3-49 (b) An inquiry or motion alleging a technical, clerical, or
 3-50 de minimis violation must be resolved in a letter of
 3-51 acknowledgment.

3-52 (c) An inquiry or motion alleging an administrative or
 3-53 filing violation must be resolved in a notice of administrative or
 3-54 filing error.

3-55 (d) An inquiry or motion alleging a more serious violation
 3-56 must be resolved in a notice of violation.

3-57 SECTION 2.11. Section 571.122, Government Code, as amended
 3-58 by Chapters 604 (H.B. 677) and 1166 (H.B. 3218), Acts of the 81st
 3-59 Legislature, Regular Session, 2009, is amended to read as follows:

3-60 Sec. 571.122. FILING OF INQUIRY [COMPLAINT]; CONTENTS.

3-61 (a) An individual may file with the commission an inquiry [a sworn
 3-62 complaint] alleging that a person subject to a law administered and
 3-63 enforced by the commission has violated a rule adopted by or a law
 3-64 administered and enforced by the commission. An inquiry [A sworn
 3-65 complaint] must be filed on a form prescribed by the commission.
 3-66 The commission shall make the inquiry [complaint] form available on
 3-67 the Internet. The form prescribed by the commission must require
 3-68 the complainant to provide the following information for both the
 3-69 complainant and the respondent:

4-1 (1) the person's name;
 4-2 (2) the person's telephone number;
 4-3 (3) the person's electronic mail address, if known;
 4-4 and
 4-5 (4) the physical address of the person's home or
 4-6 business.
 4-7 (b) An inquiry [~~A complaint~~] filed under this section must
 4-8 be in writing and under oath and must set forth in simple, concise,
 4-9 and direct statements:
 4-10 (1) the name of the complainant;
 4-11 (2) the street or mailing address of the complainant;
 4-12 (3) the name of each respondent;
 4-13 (4) the position or title of each respondent;
 4-14 (5) the nature of the alleged violation, including if
 4-15 possible the specific rule or provision of law alleged to have been
 4-16 violated;
 4-17 (6) a statement of the facts constituting the alleged
 4-18 violation and the dates on which or period of time in which the
 4-19 alleged violation occurred; and
 4-20 (7) all documents or other material available to the
 4-21 complainant that are relevant to the allegation, a list of all
 4-22 documents or other material within the knowledge of the complainant
 4-23 and available to the complainant that are relevant to the
 4-24 allegation but that are not in the possession of the complainant,
 4-25 including the location of the documents, if known, and a list of all
 4-26 documents or other material within the knowledge of the complainant
 4-27 that are unavailable to the complainant and that are relevant to the
 4-28 inquiry [~~complaint~~], including the location of the documents, if
 4-29 known.
 4-30 (b-1) An individual must be a resident of this state to be
 4-31 eligible to file an inquiry [~~a sworn complaint~~] with the
 4-32 commission. A copy of one of the following documents must be
 4-33 attached to the inquiry [~~complaint~~]:
 4-34 (1) the complainant's driver's license or personal
 4-35 identification certificate issued under Chapter 521,
 4-36 Transportation Code, or commercial driver's license issued under
 4-37 Chapter 522, Transportation Code; or
 4-38 (2) a utility bill, bank statement, government check,
 4-39 paycheck, or other government document that:
 4-40 (A) shows the name and address of the
 4-41 complainant; and
 4-42 (B) is dated not more than 30 days before the date
 4-43 on which the inquiry [~~complaint~~] is filed.
 4-44 (b-2) [~~(b-1)~~] To be eligible to file an inquiry [~~a sworn~~
 4-45 ~~complaint~~] with the commission, an individual must be a resident of
 4-46 this state or must own real property in this state. A copy of one
 4-47 of the following documents must be attached to the inquiry
 4-48 [~~complaint~~]:
 4-49 (1) the complainant's driver's license or personal
 4-50 identification certificate issued under Chapter 521,
 4-51 Transportation Code, or commercial driver's license issued under
 4-52 Chapter 522, Transportation Code;
 4-53 (2) a utility bill, bank statement, government check,
 4-54 paycheck, or other government document that:
 4-55 (A) shows the name and address of the
 4-56 complainant; and
 4-57 (B) is dated not more than 30 days before the date
 4-58 on which the inquiry [~~complaint~~] is filed; or
 4-59 (3) a property tax bill, notice of appraised value, or
 4-60 other government document that:
 4-61 (A) shows the name of the complainant;
 4-62 (B) shows the address of real property in this
 4-63 state; and
 4-64 (C) identifies the complainant as the owner of
 4-65 the real property.
 4-66 (c) The inquiry [~~complaint~~] must be accompanied by an
 4-67 affidavit stating that the information contained in the inquiry
 4-68 [~~complaint~~] is either correct or that the complainant has good
 4-69 reason to believe and does believe that the violation occurred. If

5-1 the inquiry [~~complaint~~] is based on information and belief, the
 5-2 inquiry [~~complaint~~] shall state the source and basis of the
 5-3 information and belief. The complainant may swear to the facts by
 5-4 oath before a notary public or other authorized official.

5-5 (d) The inquiry [~~complaint~~] must state on its face an
 5-6 allegation that, if true, constitutes a violation of a rule adopted
 5-7 by or a law administered and enforced by the commission.

5-8 (e) It is not a valid basis of an inquiry [~~a complaint~~] to
 5-9 allege that a report required under Chapter 254, Election Code,
 5-10 contains the improper name or address of a person from whom a
 5-11 political contribution was received if the name or address in the
 5-12 report is the same as the name or address that appears on the check
 5-13 for the political contribution.

5-14 SECTION 2.12. Section 571.1221, Government Code, is amended
 5-15 to read as follows:

5-16 Sec. 571.1221. DISMISSAL OF INQUIRY [~~COMPLAINT~~] FILED AT
 5-17 DIRECTION OR URGING OF NONRESIDENT. At any stage of a proceeding
 5-18 under this subchapter, the commission shall dismiss the inquiry
 5-19 [~~complaint~~] if the commission determines that the inquiry
 5-20 [~~complaint~~] was filed at the direction or urging of a person who is
 5-21 not a resident of this state.

5-22 SECTION 2.13. Section 571.1222, Government Code, is amended
 5-23 to read as follows:

5-24 Sec. 571.1222. DISMISSAL OF INQUIRY [~~COMPLAINT~~]
 5-25 CHALLENGING CERTAIN INFORMATION IN POLITICAL REPORT. At any stage
 5-26 of a proceeding under this subchapter, the commission shall dismiss
 5-27 an inquiry [~~a complaint~~] to the extent the inquiry [~~complaint~~]
 5-28 alleges that a report required under Chapter 254, Election Code,
 5-29 contains the improper name or address of a person from whom a
 5-30 political contribution was received if the name or address in the
 5-31 report is the same as the name or address that appears on the check
 5-32 for the political contribution.

5-33 SECTION 2.14. Section 571.123, Government Code, is amended
 5-34 to read as follows:

5-35 Sec. 571.123. PROCESSING OF INQUIRY [~~COMPLAINT~~]. (a) The
 5-36 commission shall determine whether an inquiry [~~a sworn complaint~~]
 5-37 filed with the commission complies with the form requirements of
 5-38 Section 571.122.

5-39 (a-1) [~~(b)~~] After an inquiry [~~a complaint~~] is filed, the
 5-40 commission shall immediately attempt to contact and notify the
 5-41 respondent of the inquiry [~~complaint by telephone or electronic~~
 5-42 ~~mail~~].

5-43 (b) Not later than the fifth business day after the date an
 5-44 inquiry [~~a complaint~~] is filed, the commission shall notify [~~send~~
 5-45 ~~written notice to~~] the complainant and the respondent as to [~~The~~
 5-46 ~~written notice to the complainant and the respondent must~~]:

5-47 (1) [~~state~~] whether the inquiry [~~complaint~~] complies
 5-48 with the form requirements of Section 571.122; and

5-49 (2) if the respondent is a candidate or officeholder,
 5-50 [~~state~~] the procedure by which the respondent may designate an
 5-51 agent with whom commission staff may discuss the inquiry
 5-52 [~~complaint, and~~

5-53 [~~(3) if applicable, include the information required~~
 5-54 ~~by Section 571.124(e)~~].

5-55 (c) If the commission determines that the inquiry
 5-56 [~~complaint~~] does not comply with the form requirements, the
 5-57 commission shall return [~~send~~] the inquiry [~~complaint~~] to the
 5-58 complainant with [~~the written notice,~~] a statement explaining how
 5-59 the inquiry [~~complaint~~] fails to comply [~~7~~] and a copy of the rules
 5-60 for filing inquiries [~~sworn complaints~~]. The commission shall
 5-61 provide [~~send~~] a copy of the rejected inquiry [~~complaint~~] to the
 5-62 respondent with [~~the written notice and~~] the statement explaining
 5-63 how the inquiry [~~complaint~~] fails to comply. The complainant may
 5-64 resubmit the inquiry [~~complaint~~] not later than the 21st day after
 5-65 the date the complainant is notified [~~notice~~] under Subsection (b)
 5-66 [~~is mailed~~]. If the commission determines that the inquiry
 5-67 [~~complaint~~] is not resubmitted within the 21-day period, the
 5-68 commission shall:

5-69 (1) dismiss the inquiry [~~complaint~~]; and

6-1 (2) not later than the fifth business day after the
6-2 date of the dismissal, notify [~~send written notice to~~] the
6-3 complainant and the respondent of the dismissal and the grounds for
6-4 dismissal.

6-5 (d) If the commission determines that an inquiry [~~a~~
6-6 ~~complaint~~] is resubmitted under Subsection (c) within the 21-day
6-7 period but is not in proper form, the commission shall return the
6-8 inquiry to the complainant as provided in [~~send the notice required~~
6-9 ~~under~~] Subsection (c), and the complainant may resubmit the inquiry
6-10 [~~complaint~~] under that subsection.

6-11 (e) If the commission determines that an inquiry [~~a~~
6-12 ~~complaint~~] returned to the complainant under Subsection (c) or (d)
6-13 is resubmitted within the 21-day period and that the inquiry
6-14 [~~complaint~~] complies with the form requirements, the commission
6-15 shall notify the complainant and respondent [~~send the written~~
6-16 ~~notice~~] under Subsection (b).

6-17 SECTION 2.15. Subsection (b), Section 571.1231, Government
6-18 Code, is amended to read as follows:

6-19 (b) A respondent to an inquiry [~~a complaint~~] filed against
6-20 the respondent may by writing submitted to the commission designate
6-21 an agent with whom the commission staff may communicate regarding
6-22 the inquiry [~~complaint~~].

6-23 SECTION 2.16. Section 571.124, Government Code, is amended
6-24 to read as follows:

6-25 Sec. 571.124. PRELIMINARY REVIEW: INITIATION. (a) The
6-26 commission staff shall promptly conduct a preliminary review on
6-27 receipt of a written inquiry [~~complaint~~] that is in compliance with
6-28 the form requirements of Section 571.122.

6-29 (b) On a motion adopted by an affirmative vote of at least
6-30 six commission members, the commission staff, without an inquiry [~~a~~
6-31 ~~sworn complaint~~], may undertake [~~initiate~~] a preliminary review of
6-32 the matter that is the subject of the motion.

6-33 (c) The executive director shall determine in writing
6-34 whether the commission has jurisdiction over the violation of law
6-35 alleged in an inquiry [~~a sworn complaint~~] processed under Section
6-36 571.123.

6-37 (e) If the executive director determines that the
6-38 commission has jurisdiction, the notification [~~notice~~] under
6-39 Section 571.123(b) must include:

6-40 (1) a statement that the commission has jurisdiction
6-41 over the violation of law alleged in the inquiry [~~complaint~~];

6-42 (2) a statement of whether the inquiry [~~complaint~~]
6-43 will be processed as a technical, clerical, or de minimis
6-44 violation, an administrative or filing violation, or a more serious
6-45 violation [~~Category One violation or a Category Two violation,~~
6-46 ~~subject to reconsideration as provided for by Section 571.1212~~];

6-47 (3) the date by which the respondent is required to
6-48 respond to the notification [~~notice~~];

6-49 (4) a copy of the inquiry [~~complaint~~] and the rules of
6-50 procedure of the commission;

6-51 (5) a statement of the rights of the respondent;

6-52 (6) a statement inviting the respondent to provide to
6-53 the commission any information relevant to the inquiry [~~complaint~~];
6-54 and

6-55 (7) a statement that a failure to timely respond to the
6-56 notification [~~notice~~] will be treated as a separate violation.

6-57 (f) If the executive director determines that the
6-58 commission does not have jurisdiction over the violation alleged in
6-59 the inquiry [~~complaint~~], the executive director shall:

6-60 (1) dismiss the inquiry [~~complaint~~]; and

6-61 (2) not later than the fifth business day after the
6-62 date of the dismissal, notify [~~send to~~] the complainant and the
6-63 respondent [~~written notice~~] of the dismissal and the grounds for
6-64 the dismissal.

6-65 SECTION 2.17. Subsections (a) and (c), Section 571.1241,
6-66 Government Code, are amended to read as follows:

6-67 (a) If the executive director determines that the
6-68 commission does not have jurisdiction over the violation alleged in
6-69 the inquiry [~~complaint~~], the complainant may request that the

7-1 commission review the determination. A request for review under
 7-2 this section must be filed not later than the 30th day after the
 7-3 date the complainant receives the executive director's
 7-4 determination.

7-5 (c) Not later than the fifth business day after the date of
 7-6 the commission's determination under this section, the commission
 7-7 shall notify [~~send written notice to~~] the complainant and the
 7-8 respondent as to [~~stating~~] whether the commission has jurisdiction
 7-9 over the violation alleged in the inquiry [~~complaint~~]. If the
 7-10 commission determines that the commission has jurisdiction, the
 7-11 notification [~~notice~~] must include the items listed in Section
 7-12 571.124(e).

7-13 SECTION 2.18. Section 571.1242, Government Code, is amended
 7-14 to read as follows:

7-15 Sec. 571.1242. PRELIMINARY REVIEW: RESPONSE BY RESPONDENT.

7-16 (a) If the alleged violation is a technical, clerical, or de
 7-17 minimis [~~Category One~~] violation:

7-18 (1) the respondent must respond to the notification
 7-19 [~~notice~~] required by Section 571.123(b) not later than the 10th
 7-20 business day after the date the respondent is notified [~~receives~~
 7-21 ~~the notice~~]; and

7-22 (2) if the matter is not resolved by agreement between
 7-23 the commission and the respondent before the 30th business day
 7-24 after the date the respondent is notified [~~receives the notice~~]
 7-25 under Section 571.123(b), the commission shall set the matter for a
 7-26 preliminary review hearing [~~to be held at the next commission~~
 7-27 ~~meeting for which notice has not yet been posted~~].

7-28 (b) If the alleged violation is an administrative or filing
 7-29 violation or a more serious [~~a Category Two~~] violation:

7-30 (1) the respondent must respond to the notification
 7-31 [~~notice~~] required by Section 571.123(b) not later than the 25th
 7-32 business day after the date the respondent is notified [~~receives~~
 7-33 ~~the notice~~] under Section 571.123(b); and

7-34 (2) if the matter is not resolved by agreement between
 7-35 the commission and the respondent before the 75th business day
 7-36 after the date the respondent is notified [~~receives the notice~~]
 7-37 under Section 571.123(b), the commission shall set the matter for a
 7-38 preliminary review hearing [~~to be held at the next commission~~
 7-39 ~~meeting for which notice has not yet been posted~~].

7-40 (c) A respondent's failure to timely respond as required by
 7-41 Subsection (a)(1) or (b)(1) is a [~~Category One~~] violation.

7-42 (d) The response required to the notification under Section
 7-43 571.123(b) [~~by Subsection (a) or (b)~~] must include any challenge
 7-44 the respondent seeks to raise to the commission's exercise of
 7-45 jurisdiction. In addition, the respondent may:

7-46 (1) acknowledge the occurrence or commission of a
 7-47 violation;

7-48 (2) deny the allegations contained in the inquiry
 7-49 [~~complaint~~] and provide evidence supporting the denial; or

7-50 (3) agree to enter into a letter of acknowledgment [~~an~~
 7-51 ~~assurance of voluntary compliance~~] or other agreed decision
 7-52 [~~order~~], which may include an agreement to immediately cease and
 7-53 desist.

7-54 [~~(c) If the commission sets the matter for a preliminary~~
 7-55 ~~review hearing, the commission shall promptly send to the~~
 7-56 ~~complainant and the respondent written notice of the date, time,~~
 7-57 ~~and place of the preliminary review hearing.]~~

7-58 SECTION 2.19. Subchapter E, Chapter 571, Government Code,
 7-59 is amended by adding Section 571.12421 to read as follows:

7-60 Sec. 571.12421. PRELIMINARY REVIEW: PROCEDURE. (a) The
 7-61 commission shall adopt procedures by rule for the conduct of:

7-62 (1) a preliminary review of an inquiry or motion that
 7-63 alleges a technical, clerical, or de minimis violation;

7-64 (2) a preliminary review of an inquiry or motion that
 7-65 alleges an administrative or filing violation; and

7-66 (3) a preliminary review of an inquiry or motion that
 7-67 alleges a more serious violation.

7-68 (b) If an inquiry or motion alleges violations of different
 7-69 categories, the commission staff shall conduct a preliminary review

8-1 of the inquiry or motion according to the procedure for the most
8-2 serious category of violation alleged in the inquiry or motion.

8-3 (c) If, in the course of conducting a preliminary review,
8-4 the commission staff determines that the violation alleged in the
8-5 inquiry or motion was initially categorized incorrectly, the
8-6 commission staff shall continue conducting the preliminary review
8-7 according to the procedure for the correct category of violation.

8-8 (d) If an inquiry or motion alleges more than one violation,
8-9 the commission staff may conduct a single preliminary review of the
8-10 alleged violations or conduct a separate preliminary review for
8-11 each violation.

8-12 SECTION 2.20. Subchapter E, Chapter 571, Government Code,
8-13 is amended by adding Section 571.12431 to read as follows:

8-14 Sec. 571.12431. PRELIMINARY REVIEW: RESOLUTION.

8-15 (a) After conducting a preliminary review of an inquiry or motion,
8-16 the commission staff shall propose a resolution of the inquiry or
8-17 motion to the respondent in the form corresponding to the category
8-18 of violation alleged in the inquiry or motion or, if the inquiry or
8-19 motion alleges multiple violations, in the form corresponding to
8-20 the most serious category of violation.

8-21 (b) Except as provided by other law or commission rule, if
8-22 the respondent accepts the resolution, the commission staff shall
8-23 submit to the commission for approval the letter of acknowledgment,
8-24 notice of administrative or filing error, or notice of violation in
8-25 which the resolution was proposed to the respondent.

8-26 (c) If the respondent rejects the resolution, the
8-27 commission shall set the inquiry or motion for a preliminary review
8-28 hearing.

8-29 SECTION 2.21. Section 571.1244, Government Code, is amended
8-30 to read as follows:

8-31 Sec. 571.1244. PRELIMINARY REVIEW AND PRELIMINARY REVIEW
8-32 HEARING PROCEDURES. (a) The commission shall adopt procedures for
8-33 the conduct of preliminary reviews and preliminary review hearings.
8-34 The procedures must include:

8-35 (1) a reasonable time for responding to questions
8-36 submitted by the commission and commission staff and subpoenas
8-37 issued by the commission; and

8-38 (2) the tolling or extension of otherwise applicable
8-39 deadlines where:

8-40 (A) the commission issues a subpoena and the
8-41 commission's meeting schedule makes it impossible both to provide a
8-42 reasonable time for response and to comply with the otherwise
8-43 applicable deadlines; or

8-44 (B) the commission determines that, despite
8-45 commission staff's diligence and the reasonable cooperation of the
8-46 respondent, a matter is too complex to resolve within the otherwise
8-47 applicable deadlines without compromising either the commission
8-48 staff's investigation or the rights of the respondent.

8-49 (b) The commission by rule shall adopt procedures for the
8-50 commission's review of a letter of acknowledgment, a notice of
8-51 administrative or filing error, or a notice of violation submitted
8-52 to the commission under Section 571.12431(b) or 571.126(f).

8-53 (c) The commission by rule shall adopt procedures for the
8-54 disposition of an inquiry or motion if the respondent does not
8-55 respond to a resolution of the inquiry or motion proposed to the
8-56 respondent under Section 571.12431 or 571.126.

8-57 SECTION 2.22. Section 571.125, Government Code, is amended
8-58 to read as follows:

8-59 Sec. 571.125. PRELIMINARY REVIEW HEARING: PROCEDURE.

8-60 (a) A panel of two members of the [The] commission shall conduct a
8-61 preliminary review hearing if:

8-62 (1) following the preliminary review, the [~~commission~~
8-63 ~~and the~~] respondent does not [~~cannot~~] agree to the resolution of the
8-64 inquiry or motion proposed by the commission staff [~~disposition of~~
8-65 ~~the complaint or motion~~]; or

8-66 (2) the respondent in writing requests a hearing.

8-67 (b) The commission shall notify [~~provide written notice to~~]
8-68 the complainant, if any, and the respondent of the date, time, and
8-69 place the panel [~~commission~~] will conduct the preliminary review

9-1 hearing.

9-2 (c) At or after the time the commission notifies the
9-3 complainant, if any, and the respondent [~~provides notice~~] of a
9-4 preliminary review hearing, the commission may submit to the
9-5 complainant and the respondent written questions and require those
9-6 questions to be answered under oath within a reasonable time.

9-7 (d) During a preliminary review hearing, the panel
9-8 [~~commission~~]:

9-9 (1) may consider all submitted evidence related to the
9-10 inquiry [~~complaint~~] or to the subject matter of a motion under
9-11 Section 571.124(b);

9-12 (2) may review any documents or material related to
9-13 the inquiry [~~complaint~~] or to the motion; and

9-14 (3) shall determine whether there is credible evidence
9-15 that provides cause for the panel [~~commission~~] to conclude that a
9-16 violation within the jurisdiction of the commission has occurred.

9-17 (e) During a preliminary review hearing, the respondent may
9-18 appear before the panel [~~commission~~] with the assistance of
9-19 counsel, if desired by the respondent, and present any relevant
9-20 evidence, including a written statement.

9-21 SECTION 2.23. Subchapter E, Chapter 571, Government Code,
9-22 is amended by adding Section 571.1251 to read as follows:

9-23 Sec. 571.1251. SELECTION OF PANEL TO CONDUCT PRELIMINARY
9-24 REVIEW HEARING. The commission shall adopt rules for the selection
9-25 of members of the commission to serve on panels to conduct
9-26 preliminary review hearings. The rules shall ensure that:

9-27 (1) a panel is composed of two members of the
9-28 commission; and

9-29 (2) each member of the panel is a member of a different
9-30 political party.

9-31 SECTION 2.24. Section 571.126, Government Code, is amended
9-32 to read as follows:

9-33 Sec. 571.126. PRELIMINARY REVIEW HEARING: RESOLUTION.

9-34 (a) Except as provided in Subsection (e), as [~~As~~] soon as
9-35 practicable after the completion of a preliminary review hearing,
9-36 the panel [~~commission~~] by vote shall issue a decision stating:

9-37 (1) whether there is credible evidence for the panel
9-38 [~~commission~~] to determine that a violation within the jurisdiction
9-39 of the commission has occurred and whether the violation is a
9-40 technical, clerical, or de minimis violation, an administrative or
9-41 filing violation, or a more serious violation; or

9-42 (2) that there is insufficient evidence for the panel
9-43 [~~commission~~] to determine whether a violation within the
9-44 jurisdiction of the commission has occurred.

9-45 (b) If the panel [~~commission~~] determines that there is
9-46 credible evidence for the panel [~~commission~~] to determine that a
9-47 violation within the jurisdiction of the commission has occurred,
9-48 the panel [~~commission~~] shall prepare a resolution of the inquiry or
9-49 motion to propose to the respondent [~~resolve and settle the~~
9-50 ~~complaint or motion~~] to the extent possible. If the panel
9-51 [~~commission~~] successfully prepares a resolution [~~resolves and~~
9-52 ~~settles the complaint or motion~~], not later than the fifth business
9-53 day after the date the panel prepares the resolution [~~of the final~~
9-54 ~~resolution of the complaint or motion~~], the commission shall
9-55 provide [~~send to~~] the complainant, if any, and the respondent a copy
9-56 of the decision stating the panel's [~~commission's~~] determination
9-57 and the panel's proposed resolution of the inquiry or motion in the
9-58 appropriate form [~~written notice of the resolution and the terms of~~
9-59 ~~the resolution~~]. If the panel [~~commission~~] is unsuccessful in
9-60 preparing a resolution or the respondent rejects the resolution
9-61 [~~resolving and settling the complaint or motion~~], the panel
9-62 [~~commission~~] shall:

9-63 (1) order a formal hearing to be held in accordance
9-64 with Sections 571.127 [~~571.129~~] through 571.132; and

9-65 (2) not later than the fifth business day after, as
9-66 applicable, the date the panel determines that there is credible
9-67 evidence to determine that a violation has occurred or the date the
9-68 respondent rejects a resolution prepared by the panel, provide [~~of~~
9-69 ~~the decision, send to~~] the complainant, if any, and the respondent

10-1 with:
 10-2 (A) a copy of the decision;
 10-3 (B) [~~written~~] notice of the date, time, and place
 10-4 of the formal hearing;
 10-5 (C) a statement of the nature of the alleged
 10-6 violation;
 10-7 (D) a description of the evidence of the alleged
 10-8 violation;
 10-9 (E) a copy of the inquiry [~~complaint~~] or motion;
 10-10 (F) a copy of the commission's rules of
 10-11 procedure; and
 10-12 (G) a statement of the rights of the respondent.

10-13 (c) If the panel [~~commission~~] determines that there is
 10-14 credible evidence for the panel [~~commission~~] to determine that a
 10-15 violation within the jurisdiction of the commission has not
 10-16 occurred[~~, the commission shall~~]:

10-17 (1) the panel shall dismiss the inquiry [~~complaint~~] or
 10-18 motion; and

10-19 (2) the commission shall, not later than the fifth
 10-20 business day after the date of the dismissal, provide [~~send to~~] the
 10-21 complainant, if any, and the respondent with a copy of the decision
 10-22 stating the panel's [~~commission's~~] determination and [~~written~~]
 10-23 notice of the dismissal and the grounds for dismissal.

10-24 (d) If the panel [~~commission~~] determines that there is
 10-25 insufficient credible evidence for the panel [~~commission~~] to
 10-26 determine that a violation within the jurisdiction of the
 10-27 commission has occurred, the panel [~~commission~~] may dismiss the
 10-28 inquiry [~~complaint~~] or motion or promptly order [~~conduct~~] a formal
 10-29 hearing to be held under Sections 571.127 [~~571.129~~] through
 10-30 571.132. Not later than the fifth business day after the date of
 10-31 the panel's [~~commission's~~] determination under this subsection, the
 10-32 commission shall provide [~~send to~~] the complainant, if any, and the
 10-33 respondent with a copy of the decision stating the panel's
 10-34 [~~commission's~~] determination and [~~written~~] notice of the grounds
 10-35 for the determination.

10-36 (e) If, because of a tie vote, the panel cannot issue a
 10-37 decision under Subsection (a), the panel shall order a formal
 10-38 hearing to be held under Sections 571.127 through 571.132. Not
 10-39 later than the fifth business day after the date of the vote, the
 10-40 commission shall notify the complainant, if any, and the respondent
 10-41 of the date, time, and place of the hearing.

10-42 (f) Except as provided by other law or commission rule, if
 10-43 the respondent accepts the resolution in Subsection (b), the panel
 10-44 shall submit to the commission for approval the letter of
 10-45 acknowledgment, notice of administrative or filing error, or notice
 10-46 of violation in which the resolution was proposed to the
 10-47 respondent.

10-48 SECTION 2.25. Subchapter E, Chapter 571, Government Code,
 10-49 is amended by adding Section 571.127 to read as follows:

10-50 Sec. 571.127. FORMAL HEARING: CONDUCT. The commission may
 10-51 conduct a formal hearing under this subchapter or may delegate to
 10-52 the State Office of Administrative Hearings the responsibility of
 10-53 conducting a formal hearing under this subchapter.

10-54 SECTION 2.26. Subsections (a) and (c), Section 571.132,
 10-55 Government Code, are amended to read as follows:

10-56 (a) Not later than the 30th business day after the date the
 10-57 State Office of Administrative Hearings issues a proposal for
 10-58 decision, the commission shall convene a meeting and by motion
 10-59 shall issue:

10-60 (1) a final decision stating the resolution of the
 10-61 formal hearing in the form corresponding to the category of
 10-62 violation alleged in the inquiry or motion that was the subject of
 10-63 the hearing; and

10-64 (2) a written report stating in detail the
 10-65 commission's findings of fact, conclusions of law, and
 10-66 recommendation of criminal referral or imposition of a civil
 10-67 penalty, if any.

10-68 (c) Not later than the fifth business day after the date the
 10-69 commission issues the final decision and written report, the

11-1 commission shall:

11-2 (1) provide [~~send~~] a copy of the decision and report to
 11-3 the complainant, if any, and to the respondent; and

11-4 (2) make a copy of the decision and report available to
 11-5 the public during reasonable business hours.

11-6 SECTION 2.27. Section 571.133, Government Code, is amended
 11-7 to read as follows:

11-8 Sec. 571.133. APPEAL OF FINAL DECISION. (a) A respondent
 11-9 who has exhausted all administrative remedies under this subchapter
 11-10 and who is aggrieved by a final decision of the commission may seek
 11-11 judicial review of the decision by pursuing an appeal.

11-12 (b) To appeal a final decision of the commission, the
 11-13 respondent or the respondent's agent may file a petition in a
 11-14 district court in Travis County or in the county in which the
 11-15 respondent resides.

11-16 (c) [~~(b)~~] The petition must be filed not later than the 30th
 11-17 business day after the date the respondent received the decision.

11-18 (d) [~~(c)~~] Not later than the 30th day after the date on
 11-19 which the petition is filed, the respondent may request that the
 11-20 appeal be transferred to a district court in Travis County or in the
 11-21 county in which the respondent resides, as appropriate. The court
 11-22 in which the appeal is originally filed shall transfer the appeal to
 11-23 a district court in the other county on receipt of the request.

11-24 (e) Judicial review under this section shall be conducted in
 11-25 the manner provided for judicial review of a contested case under
 11-26 Chapter 2001, Government Code, and is governed by the substantial
 11-27 evidence rule.

11-28 [~~(d) An appeal brought under this section is not limited to~~
 11-29 ~~questions of law, and the substantial evidence rule does not apply.~~
 11-30 ~~The action shall be determined by trial de novo. The reviewing~~
 11-31 ~~court shall try all issues of fact and law in the manner applicable~~
 11-32 ~~to other civil suits in this state but may not admit in evidence the~~
 11-33 ~~fact of prior action by the commission or the nature of that action,~~
 11-34 ~~except to the limited extent necessary to show compliance with~~
 11-35 ~~statutory provisions that vest jurisdiction in the court. A party~~
 11-36 ~~is entitled, on demand, to a jury determination of any issue of fact~~
 11-37 ~~on which a jury determination is available in other civil suits in~~
 11-38 ~~this state.]~~

11-39 SECTION 2.28. Section 571.134, Government Code, is amended
 11-40 to read as follows:

11-41 Sec. 571.134. DELAY OF REFERRAL. If an alleged violation
 11-42 involves an election in which the alleged violator is a candidate, a
 11-43 candidate's campaign treasurer, or the campaign treasurer of a
 11-44 political committee supporting or opposing a candidate and the
 11-45 inquiry [~~complaint~~] is filed within 60 days before the date of the
 11-46 election, the commission shall delay referral until:

11-47 (1) the day after election day;

11-48 (2) the day after runoff election day if an ensuing
 11-49 runoff involving the alleged violator is held; or

11-50 (3) the day after general election day if the election
 11-51 involved in the violation is a primary election and the alleged
 11-52 violator is involved in the succeeding general election.

11-53 SECTION 2.29. Subsection (b), Section 571.135, Government
 11-54 Code, is amended to read as follows:

11-55 (b) The materials must include:

11-56 (1) a description of:

11-57 (A) the commission's responsibilities;

11-58 (B) the types of conduct that constitute a
 11-59 violation of a law within the jurisdiction of the commission;

11-60 (C) the types of sanctions the commission may
 11-61 impose;

11-62 (D) the commission's policies and procedures
 11-63 relating to inquiry [~~complaint~~] investigation and resolution; and

11-64 (E) the duties of a person filing an inquiry [~~a~~
 11-65 ~~complaint~~] with the commission; and

11-66 (2) a diagram showing the basic steps in the
 11-67 commission's procedures relating to inquiry [~~complaint~~]
 11-68 investigation and resolution.

11-69 SECTION 2.30. Section 571.1351, Government Code, is amended

12-1 to read as follows:

12-2 Sec. 571.1351. STATUS OF INQUIRY [~~COMPLAINT~~]. (a) The
12-3 commission shall keep an information file about each inquiry [~~sworn~~
12-4 ~~or other complaint~~] filed with the commission. The file must
12-5 include:

12-6 (1) the name of the person who filed the inquiry
12-7 [~~complaint~~];

12-8 (2) the date the inquiry [~~complaint~~] is received by
12-9 the commission;

12-10 (3) the subject matter of the inquiry [~~complaint~~];

12-11 (4) the name of each person contacted in relation to
12-12 the inquiry [~~complaint~~];

12-13 (5) a summary of the results of the review or
12-14 investigation of the inquiry [~~complaint~~]; and

12-15 (6) an explanation of the reason the file was closed,
12-16 if the commission closed the file without taking action other than
12-17 to investigate the inquiry [~~complaint~~].

12-18 (b) The commission shall provide to the person filing the
12-19 inquiry [~~complaint~~] and to each person who is a subject of the
12-20 inquiry [~~complaint~~] a copy of the commission's policies and
12-21 procedures relating to inquiry [~~complaint~~] investigation and
12-22 resolution.

12-23 (c) In addition to the notice required by Sections 571.123
12-24 through 571.132, the commission, at least quarterly until final
12-25 disposition of an inquiry [~~a complaint~~], shall notify the person
12-26 who filed the inquiry [~~complaint~~] and each person who is a subject
12-27 of the inquiry [~~complaint~~], if any, of the status of the inquiry
12-28 [~~sworn or other complaint~~].

12-29 SECTION 2.31. Section 571.136, Government Code, is amended
12-30 to read as follows:

12-31 Sec. 571.136. EXTENSION OF DEADLINE. The commission may,
12-32 on its own motion or on the reasonable request of a respondent,
12-33 extend any deadline for action relating to an inquiry [~~a sworn~~
12-34 ~~complaint~~], motion, preliminary review hearing, or formal hearing.

12-35 SECTION 2.32. Subsection (a), Section 571.137, Government
12-36 Code, is amended to read as follows:

12-37 (a) In connection with a formal hearing, the commission, as
12-38 authorized by this chapter, may subpoena and examine witnesses and
12-39 documents that directly relate to an inquiry [~~a sworn complaint~~].

12-40 SECTION 2.33. Section 571.139, Government Code, is amended
12-41 to read as follows:

12-42 Sec. 571.139. APPLICABILITY OF OTHER ACTS. (a) Except as
12-43 provided by Section 571.140(b), Chapter 552 does not apply to
12-44 documents or any additional evidence relating to the processing,
12-45 preliminary review, preliminary review hearing, or resolution of an
12-46 inquiry [~~a sworn complaint~~] or motion.

12-47 (b) Chapter 551 does not apply to the processing,
12-48 preliminary review, preliminary review hearing, or resolution of an
12-49 inquiry [~~a sworn complaint~~] or motion, but does apply to a formal
12-50 hearing held under Sections 571.127 [~~571.129~~] through 571.131.

12-51 (c) Subchapters C through H, Chapter 2001, apply only to a
12-52 formal hearing under this subchapter, the resolution of a formal
12-53 hearing, and the appeal of a final decision [~~order~~] of the
12-54 commission, and only to the extent consistent with this chapter.

12-55 SECTION 2.34. Subsections (a), (b), and (b-1), Section
12-56 571.140, Government Code, are amended to read as follows:

12-57 (a) Except as provided by Subsection (b) or (b-1) or by
12-58 Section 571.171, proceedings at a preliminary review hearing
12-59 performed by a panel of members of the commission, an inquiry [~~a~~
12-60 ~~sworn complaint~~], and documents and any additional evidence
12-61 relating to the processing, preliminary review, preliminary review
12-62 hearing, or resolution of an inquiry [~~a sworn complaint~~] or motion
12-63 are confidential and may not be disclosed unless entered into the
12-64 record of a formal hearing or a judicial proceeding, except that a
12-65 document or statement that was previously public information
12-66 remains public information.

12-67 (b) A notice of administrative or filing error or a notice
12-68 of violation approved [~~An order issued~~] by the commission under
12-69 Section 571.12431(b) or 571.126(f) after the completion of a

13-1 preliminary review or hearing [~~determining that a violation other~~
 13-2 ~~than a technical or de minimis violation has occurred~~] is not
 13-3 confidential. A letter of acknowledgment approved by the
 13-4 commission under Section 571.12431(b) or 571.126(f) after the
 13-5 completion of a preliminary review or hearing is confidential.

13-6 (b-1) A commission employee may, for the purpose of
 13-7 investigating an inquiry [~~a sworn complaint~~] or motion, disclose to
 13-8 the complainant, the respondent, or a witness information that is
 13-9 otherwise confidential and relates to the inquiry [~~sworn complaint~~]
 13-10 if:

13-11 (1) the employee makes a good faith determination that
 13-12 the disclosure is necessary to conduct the investigation;

13-13 (2) the employee's determination under Subdivision (1)
 13-14 is objectively reasonable;

13-15 (3) the executive director authorizes the disclosure;
 13-16 and

13-17 (4) the employee discloses only the information
 13-18 necessary to conduct the investigation.

13-19 SECTION 2.35. Section 571.141, Government Code, is amended
 13-20 to read as follows:

13-21 Sec. 571.141. AVAILABILITY OF CERTAIN NOTICES AND DECISIONS
 13-22 [~~COMMISSION ORDERS~~] ON INTERNET. (a) As soon as practicable
 13-23 following a preliminary review, preliminary review hearing, or
 13-24 formal hearing at which the commission staff, a panel of members of
 13-25 the commission, or the commission determines that a person has
 13-26 committed a violation within the commission's jurisdiction, the
 13-27 commission shall make available on the Internet:

13-28 (1) a copy of the notice of administrative or filing
 13-29 error or notice of violation approved or issued by the commission
 13-30 [~~commission's order stating the determination~~]; or

13-31 (2) a summary of the notice [~~commission's order~~].

13-32 (b) This section does not apply to a letter of
 13-33 acknowledgment [~~determination of a violation that is technical or~~
 13-34 ~~de minimis~~].

13-35 (c) If at a preliminary review, preliminary review hearing,
 13-36 or formal hearing, the commission staff, a panel of members of the
 13-37 commission, or the commission does not find that a person has
 13-38 committed a violation within the commission's jurisdiction or
 13-39 dismisses the inquiry or motion at issue, the commission shall, on
 13-40 the person's request and waiver of confidentiality, make available
 13-41 on the Internet a copy of the decision or notice of dismissal.

13-42 SECTION 2.36. Section 571.142, Government Code, is amended
 13-43 to read as follows:

13-44 Sec. 571.142. LIABILITY FOR RESPONDENT'S COSTS. (a) This
 13-45 section applies only to an inquiry [~~a sworn complaint~~] if:

13-46 (1) the inquiry [~~complaint~~] was filed after the 30th
 13-47 day before the date of an election;

13-48 (2) the respondent is a candidate in the election; and

13-49 (3) the inquiry [~~complaint~~] alleges an administrative
 13-50 or filing [~~a~~] violation or a more serious violation [~~other than a~~
 13-51 ~~technical or clerical violation~~].

13-52 (b) If, in disposing of an inquiry [~~a sworn complaint~~] to
 13-53 which this section applies, the commission determines that a
 13-54 violation within the commission's jurisdiction has not occurred,
 13-55 the complainant is liable for the respondent's reasonable and
 13-56 necessary attorney's fees and other costs incurred in defending
 13-57 against the inquiry [~~complaint~~].

13-58 (c) This section does not apply to an inquiry [~~a sworn~~
 13-59 ~~complaint~~] regarding a reporting omission required by law.

13-60 SECTION 2.37. Subsection (b), Section 571.171, Government
 13-61 Code, is amended to read as follows:

13-62 (b) On receipt of an inquiry [~~a sworn complaint~~], if the
 13-63 executive director reasonably believes that the person who is the
 13-64 subject of the inquiry [~~complaint~~] has violated Chapter 36 or 39,
 13-65 Penal Code, the executive director may refer the matter to the
 13-66 appropriate prosecuting attorney for criminal prosecution.

13-67 SECTION 2.38. Section 571.173, Government Code, is amended
 13-68 to read as follows:

13-69 Sec. 571.173. CIVIL PENALTY FOR DELAY OR VIOLATION.

14-1 (a) The commission and the commission staff may impose a civil
 14-2 penalty of not more than \$5,000 or triple the amount at issue under
 14-3 a law administered and enforced by the commission, whichever amount
 14-4 is more, for a delay in complying with a commission order or
 14-5 decision or for a violation of a law administered and enforced by
 14-6 the commission.

14-7 (b) The commission shall adopt guidelines for the
 14-8 commission and the commission staff to follow when imposing a civil
 14-9 penalty under this section. The guidelines must direct the
 14-10 commission or the commission staff to consider the factors
 14-11 described by Section 571.177.

14-12 (c) The commission or the commission staff shall impose a
 14-13 civil penalty on a respondent who accepts or is issued a notice of
 14-14 administrative or filing error or a notice of violation under this
 14-15 chapter.

14-16 (d) When imposing a civil penalty under Subsection (c), the
 14-17 commission is not required to consider any penalties previously
 14-18 proposed to the respondent at an earlier stage of review.

14-19 (e) The commission or the commission staff may not impose a
 14-20 civil penalty on a respondent who accepts or is issued a letter of
 14-21 acknowledgment under this chapter.

14-22 SECTION 2.39. Section 571.176, Government Code, is amended
 14-23 to read as follows:

14-24 Sec. 571.176. CIVIL PENALTY FOR FRIVOLOUS OR BAD-FAITH
 14-25 INQUIRY [~~COMPLAINT~~]. (a) The commission may impose a civil
 14-26 penalty of not more than \$10,000 for the filing of a frivolous or
 14-27 bad-faith inquiry [~~complaint~~]. In this subsection, "frivolous
 14-28 inquiry [~~complaint~~]" means an inquiry [~~a complaint~~] that is
 14-29 groundless and brought in bad faith or is groundless and brought for
 14-30 the purpose of harassment.

14-31 (b) In addition to other penalties, a person who files a
 14-32 frivolous inquiry [~~complaint~~] is civilly liable to the respondent
 14-33 in an amount equal to the greater of \$10,000 or the amount of actual
 14-34 damages incurred by the respondent, including court costs and
 14-35 attorney fees.

14-36 (c) A person may file an inquiry [~~a sworn complaint~~] with
 14-37 the commission, in accordance with Section 571.122, alleging that
 14-38 an inquiry [~~a complaint~~] relating to that person filed with the
 14-39 commission is frivolous or brought in bad faith. An inquiry [~~A~~
 14-40 ~~complaint~~] may be filed under this subsection without regard to
 14-41 whether the inquiry [~~complaint~~] alleged to be frivolous or brought
 14-42 in bad faith is pending before the commission or has been resolved.
 14-43 The commission shall act on an inquiry [~~a complaint~~] made under this
 14-44 subsection as provided by Subchapter E.

14-45 SECTION 2.40. Section 571.177, Government Code, is amended
 14-46 to read as follows:

14-47 Sec. 571.177. FACTORS CONSIDERED FOR ASSESSMENT OF
 14-48 SANCTION. The commission or the commission staff shall consider
 14-49 the following factors in assessing a sanction:

14-50 (1) the seriousness of the violation, including the
 14-51 nature, circumstances, consequences, extent, and gravity of the
 14-52 violation;

14-53 (2) the history and extent of previous violations;

14-54 (3) the demonstrated good faith of the violator,
 14-55 including actions taken to rectify the consequences of the
 14-56 violation;

14-57 (4) the penalty necessary to deter future violations;
 14-58 and

14-59 (5) any other matters that justice may require.

14-60 SECTION 2.41. (a) Not later than December 1, 2013, the
 14-61 Texas Ethics Commission shall adopt any rules necessary to
 14-62 implement the changes in law made by this article.

14-63 (b) The changes in law made by this article apply only to an
 14-64 inquiry filed with the Texas Ethics Commission under Section
 14-65 571.122, Government Code, or a motion adopted by the commission
 14-66 under Subsection (b), Section 571.124, Government Code, on or after
 14-67 December 1, 2013. A sworn complaint filed with the Texas Ethics
 14-68 Commission under Section 571.122, Government Code, or a motion
 14-69 adopted by the commission under Subsection (b), Section 571.124,

15-1 Government Code, before that date is governed by the law in effect
 15-2 on the date the complaint is filed or the motion is adopted, and the
 15-3 former law is continued in effect for that purpose.

15-4 ARTICLE 3. PERSONAL FINANCIAL STATEMENTS

15-5 SECTION 3.01. Section 571.0671, Government Code, is amended
 15-6 to read as follows:

15-7 Sec. 571.0671. REQUIREMENTS FOR ELECTRONIC FILING
 15-8 SOFTWARE. (a) Computer software provided or approved by the
 15-9 commission for use under Section 254.036(b), Election Code, or
 15-10 Section 302.013, ~~or~~ 305.0064, or 572.0291 must:

15-11 (1) use a standardized format for the entry of names,
 15-12 addresses, and zip codes;

15-13 (2) provide for secure and encoded transmission of
 15-14 data from the computer of a person filing a report to the computers
 15-15 used by the commission;

15-16 (3) be capable of being used by a person with basic
 15-17 computing skills;

15-18 (4) provide confirmation to a person filing a report
 15-19 that the report was properly received; and

15-20 (5) permit a person using a computer to prepare a
 15-21 report or to retrieve information from a report to import
 15-22 information to the report from a variety of computer software
 15-23 applications that meet commission specifications for a standard
 15-24 file format or export information from the report to a variety of
 15-25 computer software applications that meet commission specifications
 15-26 for a standard file format without the need to reenter information.

15-27 (b) Before determining the specifications for computer
 15-28 software developed, purchased, or licensed for use under Section
 15-29 254.036, Election Code, or Section 302.013, ~~or~~ 305.0064, or
 15-30 572.0291, the commission shall conduct at least one public hearing
 15-31 to discuss the specifications. For at least 10 days following the
 15-32 hearing, the commission shall accept public comments concerning the
 15-33 software specifications.

15-34 (c) The commission may provide software for use under
 15-35 Section 254.036(b), Election Code, or Section 302.013, ~~or~~
 15-36 305.0064, or 572.0291 by making the software available on the
 15-37 Internet. If the commission makes the software available on the
 15-38 Internet, the commission is not required to provide the software on
 15-39 computer diskettes, CD-ROMs, or other storage media without charge
 15-40 to persons required to file reports under that section, but may
 15-41 charge a fee for providing the software on storage media. A fee
 15-42 under this subsection may not exceed the cost to the commission of
 15-43 providing the software.

15-44 SECTION 3.02. Subchapter B, Chapter 572, Government Code,
 15-45 is amended by adding Section 572.0291 to read as follows:

15-46 Sec. 572.0291. ELECTRONIC FILING REQUIRED. A financial
 15-47 statement filed with the commission must be filed by computer
 15-48 diskette, modem, or other means of electronic transfer, using
 15-49 computer software provided by the commission or computer software
 15-50 that meets commission specifications for a standard file format.

15-51 SECTION 3.03. Subchapter B, Chapter 572, Government Code,
 15-52 is amended by adding Section 572.0292 to read as follows:

15-53 Sec. 572.0292. PREPARATION OF FORMS. The commission shall
 15-54 design forms that may be used for filing a financial statement with
 15-55 an authority other than the commission.

15-56 SECTION 3.04. The heading to Section 572.030, Government
 15-57 Code, is amended to read as follows:

15-58 Sec. 572.030. NOTIFICATION OF FILING REQUIREMENT
 15-59 [~~PREPARATION AND MAILING OF FORMS~~].

15-60 SECTION 3.05. Subsections (b) and (c), Section 572.030,
 15-61 Government Code, are amended to read as follows:

15-62 (b) The commission shall notify ~~mail to~~ each individual
 15-63 required to file under this subchapter of a ~~a notice that~~:

15-64 (1) the requirement ~~states~~ that the individual ~~is~~
 15-65 ~~required to~~ file a financial statement under this subchapter;

15-66 (2) ~~identifies~~ the filing dates for the financial
 15-67 statement as provided by Sections 572.026 and 572.027; and

15-68 (3) ~~describes~~ the manner in which the individual may
 15-69 electronically file the financial statement and access

16-1 instructions for filing financial statements on ~~[obtain the~~
 16-2 ~~financial statement forms and instructions from]~~ the commission's
 16-3 Internet website[+

16-4 ~~[(4) states that on request of the individual, the~~
 16-5 ~~commission will mail to the individual a copy of the financial~~
 16-6 ~~statement forms and instructions; and~~

16-7 ~~[(5) states, if applicable, the fee for mailing the~~
 16-8 ~~forms and instructions and the manner in which the individual may~~
 16-9 ~~pay the fee].~~

16-10 (c) The notification ~~[notice]~~ required by Subsection (b)
 16-11 must be provided ~~[mailed]~~:

16-12 (1) before the 30th day before the deadline for filing
 16-13 the financial statement under Section 572.026(a) or (c), except as
 16-14 otherwise provided by this subsection;

16-15 (2) not later than the 15th day after the applicable
 16-16 deadline for filing an application for a place on the ballot or a
 16-17 declaration of write-in candidacy for candidates required to file
 16-18 under Section 572.027(a), (b), or (c);

16-19 (3) not later than the seventh day after the date of
 16-20 appointment for individuals required to file under Section
 16-21 572.026(b), or if the legislature is in session, sooner if
 16-22 possible; and

16-23 (4) not later than the fifth day after the date the
 16-24 certificate of nomination is filed for candidates required to file
 16-25 under Section 572.027(d) ~~[574.027(d)]~~.

16-26 SECTION 3.06. Subsection (b), Section 572.031, Government
 16-27 Code, is amended to read as follows:

16-28 (b) If the commission determines that an individual has
 16-29 failed to file the statement in compliance with this subchapter,
 16-30 the commission shall notify ~~[send a written statement of the~~
 16-31 ~~determination to]~~ the appropriate prosecuting attorney for
 16-32 ~~[attorneys of]~~ the state of the determination.

16-33 SECTION 3.07. Subsections (a) and (b), Section 572.033,
 16-34 Government Code, are amended to read as follows:

16-35 (a) The commission shall determine from any available
 16-36 evidence whether a statement required to be filed under this
 16-37 subchapter is late. On making a determination that the statement is
 16-38 late, the commission shall notify ~~[immediately mail a notice of the~~
 16-39 ~~determination to]~~ the individual responsible for filing the
 16-40 statement and ~~[to]~~ the appropriate prosecuting attorney for the
 16-41 state of the determination.

16-42 (b) If a statement is determined to be late, the individual
 16-43 responsible for filing the statement is liable to the state for a
 16-44 civil penalty of \$500. If a statement is more than 30 days late, the
 16-45 commission shall issue a warning of liability ~~[by registered mail]~~
 16-46 to the individual responsible for the filing. If the penalty is not
 16-47 paid before the 10th day after the date on which the warning is
 16-48 received, the individual is liable for a civil penalty in an amount
 16-49 determined by commission rule, but not to exceed \$10,000.

16-50 SECTION 3.08. Subsection (d), Section 145.004, Local
 16-51 Government Code, is amended to read as follows:

16-52 (d) The timeliness of the filing is governed by Section
 16-53 572.029, Government Code. In addition, a financial statement is
 16-54 timely filed if it is properly addressed and placed in the United
 16-55 States post office or in the hands of a common or contract carrier
 16-56 not later than the last day for filing the financial statement. The
 16-57 post office cancellation mark or the receipt mark of a common or
 16-58 contract carrier is prima facie evidence of the date the statement
 16-59 was deposited with the post office or carrier. The individual
 16-60 filing the statement may show by competent evidence that the actual
 16-61 date of posting was different from that shown by the mark.

16-62 SECTION 3.09. Subsection (b), Section 159.004, Local
 16-63 Government Code, is amended to read as follows:

16-64 (b) The timeliness of the filing is governed by Section
 16-65 572.029, Government Code. In addition, a financial statement is
 16-66 timely filed if it is properly addressed and placed in the United
 16-67 States post office or in the hands of a common or contract carrier
 16-68 not later than the last day for filing the financial statement. The
 16-69 post office cancellation mark or the receipt mark of a common or

17-1 contract carrier is prima facie evidence of the date the statement
 17-2 was deposited with the post office or carrier. The individual
 17-3 filing the statement may show by competent evidence that the actual
 17-4 date of posting was different from that shown by the mark.

17-5 SECTION 3.10. Subsection (b), Section 159.053, Local
 17-6 Government Code, is amended to read as follows:

17-7 (b) The timeliness of the filing is governed by Section
 17-8 572.029, Government Code. In addition, a financial statement is
 17-9 timely filed if it is properly addressed and placed in the United
 17-10 States post office or in the hands of a common or contract carrier
 17-11 not later than the last day for filing the financial statement. The
 17-12 post office cancellation mark or the receipt mark of a common or
 17-13 contract carrier is prima facie evidence of the date the statement
 17-14 was deposited with the post office or carrier. The individual
 17-15 filing the statement may show by competent evidence that the actual
 17-16 date of posting was different from that shown by the mark.

17-17 SECTION 3.11. As soon as practicable after the effective
 17-18 date of this Act, the Texas Ethics Commission shall develop or
 17-19 approve the computer software that a person may use to
 17-20 electronically file a financial statement under Chapter 572,
 17-21 Government Code, as provided by the changes in law made by this
 17-22 article.

17-23 ARTICLE 4. CAMPAIGN FINANCE

17-24 SECTION 4.01. The heading to Chapter 252, Election Code, is
 17-25 amended to read as follows:

17-26 CHAPTER 252. CAMPAIGN TREASURER, LEGISLATIVE CAUCUS CHAIR, AND 17-27 PRINCIPAL POLITICAL COMMITTEE

17-28 SECTION 4.02. Chapter 252, Election Code, is amended by
 17-29 designating Sections 252.001 through 252.015 as Subchapter A and
 17-30 adding a subchapter heading to read as follows:

17-31 SUBCHAPTER A. CAMPAIGN TREASURER

17-32 SECTION 4.03. Section 252.001, Election Code, is amended to
 17-33 read as follows:

17-34 Sec. 252.001. APPOINTMENT OF CAMPAIGN TREASURER REQUIRED.
 17-35 Except as provided in Subchapter C, each [Each] candidate and each
 17-36 political committee shall appoint a campaign treasurer as provided
 17-37 by this subchapter [chapter].

17-38 SECTION 4.04. Chapter 252, Election Code, is amended by
 17-39 adding Subchapters B and C to read as follows:

17-40 SUBCHAPTER B. LEGISLATIVE CAUCUS CHAIR

17-41 Sec. 252.051. APPOINTMENT OF LEGISLATIVE CAUCUS CHAIR
 17-42 REQUIRED. Each legislative caucus, as defined by Section 253.0341,
 17-43 shall appoint a caucus chair as required by this subchapter.

17-44 Sec. 252.052. CONTENTS OF APPOINTMENT; AUTHORITY WITH WHOM
 17-45 FILED. (a) A legislative caucus chair appointment must be in
 17-46 writing and must include:

- 17-47 (1) the caucus's full name;
- 17-48 (2) the caucus chair's name;
- 17-49 (3) the caucus's mailing address;
- 17-50 (4) the caucus's telephone number; and
- 17-51 (5) the name of the person making the appointment.

17-52 (b) A legislative caucus must file its caucus chair
 17-53 appointment with the commission.

17-54 (c) A legislative caucus must notify the commission in
 17-55 writing of any change in the caucus's mailing address not later than
 17-56 the 10th day after the date on which the change occurs.

17-57 SUBCHAPTER C. PRINCIPAL POLITICAL COMMITTEE

17-58 Sec. 252.101. DESIGNATION OF PRINCIPAL POLITICAL
 17-59 COMMITTEE. (a) A candidate required to file a campaign treasurer
 17-60 appointment with the commission or an officeholder of an office for
 17-61 which a candidate is required to file a campaign treasurer
 17-62 appointment with the commission may designate a specific-purpose
 17-63 committee as the principal political committee for the candidate or
 17-64 officeholder with the responsibility of reporting any activity of
 17-65 the candidate or officeholder for which the candidate or
 17-66 officeholder would otherwise be required to file a report under
 17-67 Chapter 254.

17-68 (b) A candidate who designates a principal political
 17-69 committee under this subchapter is not required to appoint a

18-1 campaign treasurer under Subchapter A.

18-2 (c) A designation of a principal political committee must be
 18-3 in writing and filed with the commission.

18-4 Sec. 252.102. LIMITATION ON DESIGNATION OF AND AS PRINCIPAL
 18-5 POLITICAL COMMITTEE. (a) A candidate or officeholder may
 18-6 designate only one specific-purpose committee as the candidate's or
 18-7 officeholder's principal political committee.

18-8 (b) A specific-purpose committee may be designated as the
 18-9 principal political committee for only one candidate or
 18-10 officeholder.

18-11 SECTION 4.05. Subsections (a), (c), (d), and (g), Section
 18-12 254.0311, Election Code, are amended to read as follows:

18-13 (a) A legislative caucus's caucus chair shall file a report
 18-14 of contributions and expenditures as required by this section.

18-15 (c) If no reportable activity occurs during a reporting
 18-16 period, the legislative caucus chair shall indicate that fact in
 18-17 the report.

18-18 (d) A legislative caucus's caucus chair shall file with the
 18-19 commission two reports for each year.

18-20 (g) A legislative caucus's caucus chair shall maintain a
 18-21 record of all reportable activity under this section and shall
 18-22 preserve the record for at least two years beginning on the filing
 18-23 deadline for the report containing the information in the record.

18-24 SECTION 4.06. Section 254.036, Election Code, is amended by
 18-25 amending Subsections (c) and (c-1) and adding Subsections (d) and
 18-26 (d-1) to read as follows:

18-27 (c) A candidate, officeholder, or political committee that
 18-28 is required to file reports with the commission may file reports
 18-29 that comply with Subsection (a) if:

18-30 (1) the candidate, officeholder, or campaign
 18-31 treasurer of the committee files with the commission an affidavit
 18-32 stating that the candidate, officeholder, or committee, an agent of
 18-33 the candidate, officeholder, or committee, or a person with whom
 18-34 the candidate, officeholder, or committee contracts does not use
 18-35 computer equipment to keep the current records of political
 18-36 contributions, political expenditures, or persons making political
 18-37 contributions to the candidate, officeholder, or committee; and

18-38 (2) the candidate, officeholder, or committee has
 18-39 never ~~does not~~, in a calendar year, accepted ~~accept~~ political
 18-40 contributions that in the aggregate ~~exceeded~~ \$20,000 or
 18-41 made ~~make~~ political expenditures that in the aggregate ~~exceeded~~
 18-42 ~~exceed~~ \$20,000.

18-43 (c-1) An affidavit under Subsection (c) must be filed with
 18-44 each report filed under Subsection (a). The affidavit must include
 18-45 a statement that the candidate, officeholder, or political
 18-46 committee understands that the candidate, officeholder, or
 18-47 committee shall file reports as required by Subsection (b) if:

18-48 (1) the candidate, officeholder, or committee, a
 18-49 consultant of the candidate, officeholder, or committee, or a
 18-50 person with whom the candidate, officeholder, or committee
 18-51 contracts uses computer equipment for a purpose described by
 18-52 Subsection (c); or

18-53 (2) the candidate, officeholder, or committee ever
 18-54 exceeds \$20,000 in political contributions or political
 18-55 expenditures in a calendar year.

18-56 (d) A legislative caucus may file reports that comply with
 18-57 Subsection (a) if:

18-58 (1) the legislative caucus chair files with the
 18-59 commission an affidavit stating that the caucus, an agent of the
 18-60 caucus, or a person with whom the caucus contracts does not use
 18-61 computer equipment to keep the current records of contributions,
 18-62 expenditures, or persons making contributions to the caucus; and

18-63 (2) the caucus has never, in a calendar year, accepted
 18-64 contributions that in the aggregate exceeded \$20,000 or made
 18-65 expenditures that in the aggregate exceeded \$20,000.

18-66 (d-1) An affidavit under Subsection (d) must be filed with
 18-67 each report filed under Subsection (a). The affidavit must include
 18-68 a statement that the legislative caucus understands that the caucus
 18-69 shall file reports as required by Subsection (b) if:

19-1 (1) the caucus, a consultant of the caucus, or a person
 19-2 with whom the caucus contracts uses computer equipment for a
 19-3 purpose described by Subsection (d); or

19-4 (2) the caucus ever exceeds \$20,000 in contributions
 19-5 or expenditures in a calendar year.

19-6 SECTION 4.07. Subsection (c), Section 254.0405, Election
 19-7 Code, is amended to read as follows:

19-8 (c) A semiannual report that is amended on or after the
 19-9 eighth day after the original report was filed is considered to have
 19-10 been filed on the date on which the original report was filed if:

19-11 (1) the amendment is made before any inquiry
 19-12 [~~complaint~~] is filed with regard to the subject of the amendment;
 19-13 and

19-14 (2) the original report was made in good faith and
 19-15 without an intent to mislead or to misrepresent the information
 19-16 contained in the report.

19-17 SECTION 4.08. Subsections (a) and (b), Section 254.042,
 19-18 Election Code, are amended to read as follows:

19-19 (a) The commission shall determine from any available
 19-20 evidence whether a report required to be filed with the commission
 19-21 under this chapter is late. On making that determination, the
 19-22 commission shall immediately notify [~~mail a notice of the~~
 19-23 ~~determination to~~] the person required to file the report of the
 19-24 determination.

19-25 (b) If a report other than a report under Section
 19-26 254.064(c), 254.124(c), or 254.154(c) or the first report under
 19-27 Section 254.063 or 254.123 that is required to be filed following
 19-28 the primary or general election is determined to be late, the person
 19-29 required to file the report is liable to the state for a civil
 19-30 penalty of \$500. If a report under Section 254.064(c), 254.124(c),
 19-31 or 254.154(c) or the first report under Section 254.063 or 254.153
 19-32 that is required to be filed following the primary or general
 19-33 election is determined to be late, the person required to file the
 19-34 report is liable to the state for a civil penalty of \$500 for the
 19-35 first day the report is late and \$100 for each day thereafter that
 19-36 the report is late. If a report is more than 30 days late, the
 19-37 commission shall issue a warning of liability [~~by registered mail~~]
 19-38 to the person required to file the report. If the penalty is not
 19-39 paid before the 10th day after the date on which the warning is
 19-40 received, the person is liable for a civil penalty in an amount
 19-41 determined by commission rule, but not to exceed \$10,000.

19-42 SECTION 4.09. Subchapter C, Chapter 254, Election Code, is
 19-43 amended by adding Section 254.067 to read as follows:

19-44 Sec. 254.067. REPORT NOT REQUIRED. If during any reporting
 19-45 period prescribed by this subchapter a candidate designates a
 19-46 specific-purpose committee as the candidate's principal political
 19-47 committee as provided by Section 252.101, the candidate is not
 19-48 required to file a report covering that period if the candidate's
 19-49 principal political committee reports all of the activity that
 19-50 would otherwise be required to be included in the report,
 19-51 including:

19-52 (1) the amount of any political contribution,
 19-53 including any loan, made by the candidate to the principal
 19-54 political committee; and

19-55 (2) the amount of any political expenditure made by
 19-56 the candidate from personal funds and whether the candidate intends
 19-57 to seek reimbursement of the expenditure from the principal
 19-58 political committee.

19-59 SECTION 4.10. Section 254.095, Election Code, is amended to
 19-60 read as follows:

19-61 Sec. 254.095. REPORT NOT REQUIRED. (a) If at the end of
 19-62 any reporting period prescribed by this subchapter an officeholder
 19-63 who is required to file a report with an authority other than the
 19-64 commission has not accepted political contributions that in the
 19-65 aggregate exceed \$500 or made political expenditures that in the
 19-66 aggregate exceed \$500, the officeholder is not required to file a
 19-67 report covering that period.

19-68 (b) If during any reporting period prescribed by this
 19-69 subchapter an officeholder designates a specific-purpose committee

20-1 as the officeholder's principal political committee as provided by
 20-2 Section 252.101, the officeholder is not required to file a report
 20-3 covering that period if the officeholder's principal political
 20-4 committee reports all of the activity that would otherwise be
 20-5 required to be included in the report, including:

20-6 (1) the amount of any political contribution,
 20-7 including any loan, made by the officeholder to the principal
 20-8 political committee; and

20-9 (2) the amount of any political expenditure made by
 20-10 the officeholder from personal funds and whether the officeholder
 20-11 intends to seek reimbursement of the expenditure from the principal
 20-12 political committee.

20-13 SECTION 4.11. Section 254.157, Election Code, is amended to
 20-14 read as follows:

20-15 Sec. 254.157. MONTHLY REPORTING SCHEDULE. (a) The
 20-16 campaign treasurer of a general-purpose committee filing monthly
 20-17 reports shall file a report not later than the 10th [~~fifth~~] day of
 20-18 the month following the period covered by the report. A report
 20-19 covering the month preceding an election in which the committee is
 20-20 involved must be received by the commission [~~authority with whom~~
 20-21 ~~the report is required to be filed~~] not later than the 10th [~~fifth~~]
 20-22 day of the month following the period covered by the report.

20-23 (b) A monthly report covers the period beginning the first
 20-24 calendar [~~26th~~] day of each month and continuing through the last
 20-25 calendar [~~25th~~] day of that [~~the following~~] month[, ~~except that the~~
 20-26 ~~period covered by the first report begins January 1 and continues~~
 20-27 ~~through January 25~~].

20-28 SECTION 4.12. Section 254.158, Election Code, is amended to
 20-29 read as follows:

20-30 Sec. 254.158. EXCEPTION TO MONTHLY REPORTING SCHEDULE. If
 20-31 the campaign treasurer appointment of a general-purpose committee
 20-32 filing monthly reports is filed after January 1 of the year in which
 20-33 monthly reports are filed, the period covered by the first monthly
 20-34 report begins the day the appointment is filed and continues
 20-35 through the last calendar [~~25th~~] day of the month in which the
 20-36 appointment is filed unless the appointment is filed the last
 20-37 calendar [~~25th or a succeeding~~] day of the month. In that case, the
 20-38 period continues through the last calendar [~~25th~~] day of the month
 20-39 following the month in which the appointment is filed.

20-40 SECTION 4.13. The changes in law made by this article apply
 20-41 only to a report required to be filed under Chapter 254, Election
 20-42 Code, on or after the effective date of this Act. A report required
 20-43 to be filed under Chapter 254, Election Code, before the effective
 20-44 date of this Act is governed by the law in effect on the date the
 20-45 report is due, and the former law is continued in effect for that
 20-46 purpose.

20-47 SECTION 4.14. (a) Not later than September 15, 2013, each
 20-48 legislative caucus in existence on September 1, 2013, shall appoint
 20-49 a caucus chair and file a caucus chair appointment with the Texas
 20-50 Ethics Commission as required by Subchapter B, Chapter 252,
 20-51 Election Code, as added by this Act. Notwithstanding Section
 20-52 254.0311, Election Code, as amended by this Act:

20-53 (1) not later than October 1, 2013, a legislative
 20-54 caucus shall file a report under Section 254.0311, Election Code,
 20-55 as that section existed before amendment by this Act, that covers
 20-56 the period beginning July 1, 2013, or the day the caucus is
 20-57 organized, as applicable, and continuing through September 15,
 20-58 2013; and

20-59 (2) not later than January 15, 2014, a legislative
 20-60 caucus chair appointed under this subsection shall file a report
 20-61 under Section 254.0311, Election Code, as amended by this Act, that
 20-62 covers the period beginning September 15, 2013, and continuing
 20-63 through December 31, 2013.

20-64 (b) A legislative caucus chair appointed under Subsection
 20-65 (a) of this section is not responsible for:

20-66 (1) reporting caucus activity that occurs before
 20-67 September 15, 2013; or

20-68 (2) maintaining records of caucus activity that occurs
 20-69 before September 15, 2013.

ARTICLE 5. LOBBYING

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

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

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

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

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

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

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

SECTION 5.06. Section 305.027, Government Code, is amended by adding Subsection (f) to read as follows:

(f) In this section, "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 of the legislature on the floor of either house of the legislature.

SECTION 5.07. Subsection (g), Section 305.028, Government Code, is amended to read as follows:

(g) The commission may receive inquiries [~~complaints~~]

22-1 regarding a violation of this section. If the commission
 22-2 determines a violation of this section has occurred, the
 22-3 commission, after notice and hearing:

22-4 (1) shall impose a civil penalty in an amount not to
 22-5 exceed \$2,000; and

22-6 (2) may rescind the person's registration and may
 22-7 prohibit the person from registering with the commission for a
 22-8 period not to exceed two years from the date of the rescission of
 22-9 the person's registration.

22-10 SECTION 5.08. Subsections (a) and (c), Section 305.033,
 22-11 Government Code, are amended to read as follows:

22-12 (a) The commission shall determine from any available
 22-13 evidence whether a registration or report required to be filed with
 22-14 the commission under this chapter is late. A registration filed
 22-15 without the fee required by Section 305.005 is considered to be
 22-16 late. On making a determination that a required registration or
 22-17 report is late, the commission shall immediately notify ~~[mail a~~
 22-18 ~~notice of the determination to]~~ the person responsible for the
 22-19 filing~~[, to the commission,]~~ and ~~[to]~~ the appropriate attorney for
 22-20 the state of the determination.

22-21 (c) If a registration or report is more than 30 days late,
 22-22 the commission shall issue a warning of liability ~~[by registered~~
 22-23 ~~mail]~~ to the person responsible for the filing. If the penalty is
 22-24 not paid before the 10th day after the date on which the warning is
 22-25 received, the person is liable for a penalty in an amount determined
 22-26 by commission rule, but not to exceed \$10,000.

22-27 SECTION 5.09. Subsection (b), Section 305.034, Government
 22-28 Code, is amended to read as follows:

22-29 (b) Whenever the commission determines that a person has
 22-30 failed to file any required form, statement, or report as required
 22-31 by this chapter, the commission shall notify the person involved
 22-32 ~~[send a written statement]~~ of this finding ~~[to the person involved.~~
 22-33 ~~Notice to the person involved must be sent by certified mail]~~.

22-34 SECTION 5.10. The amendment by this article to Subsection
 22-35 (b), Section 305.0021, Government Code, is intended to clarify
 22-36 rather than change existing law.

22-37 SECTION 5.11. Section 305.003, Government Code, as amended
 22-38 by this article, applies only to a registration or registration
 22-39 renewal required to be filed under Chapter 305, Government Code, on
 22-40 or after the effective date of this Act. A registration or
 22-41 registration renewal required to be filed under Chapter 305,
 22-42 Government Code, before the effective date of this Act is governed
 22-43 by the law in effect on the date the registration or registration
 22-44 renewal is due, and the former law is continued in effect for that
 22-45 purpose.

22-46 SECTION 5.12. Section 305.0062, Government Code, as amended
 22-47 by this article, applies only to a report required to be filed under
 22-48 Section 305.006, Government Code, on or after the effective date of
 22-49 this Act. A report required to be filed under Section 305.006,
 22-50 Government Code, before the effective date of this Act is governed
 22-51 by the law in effect on the date the report is due, and the former
 22-52 law is continued in effect for that purpose.

22-53 ARTICLE 6. REPEALER

22-54 SECTION 6.01. (a) The following provisions are repealed:

22-55 (1) Subsection (j), Section 254.036, Election Code;
 22-56 (2) Subsections (b) and (f), Section 254.0401,
 22-57 Election Code;

22-58 (3) Section 571.032, Government Code;

22-59 (4) Section 571.1212, Government Code;

22-60 (5) Subsection (c), Section 572.029, Government Code;

22-61 (6) Subsections (a), (d), and (e), Section 572.030,
 22-62 Government Code; and

22-63 (7) Subsection (c), Section 572.034, Government Code.

22-64 (b) The repeal of Subsection (c), Section 572.034,
 22-65 Government Code, applies only to an offense committed on or after
 22-66 the effective date of this Act. An offense committed before the
 22-67 effective date of this Act is governed by the law in effect on the
 22-68 date the offense was committed, and the former law is continued in
 22-69 effect for that purpose. For purposes of this subsection, an

23-1 offense was committed before the effective date of this Act if any
23-2 element of the offense occurred before that date.

23-3 ARTICLE 7. EFFECTIVE DATE

23-4 SECTION 7.01. This Act takes effect September 1, 2013.

23-5 * * * * *