A BILL TO BE ENTITLED

AN ACT

relating to ethics of public servants, including the functions and duties of the Texas Ethics Commission; the regulation of political contributions, political advertising, lobbying, and conduct of public servants; and the reporting of political contributions and personal financial information; providing civil and criminal penalties.

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

ARTICLE 1. FUNCTIONS AND DUTIES OF TEXAS ETHICS COMMISSION

SECTION 1.01. Section 571.002, Government Code, is amended by adding Subdivision (2-a) to read as follows:

(2-a) "Executive director" means the executive director of the commission.

SECTION 1.02. Section 571.022, Government Code, is amended to read as follows:

Sec. 571.022. SUNSET PROVISION. The commission is subject to review under Chapter 325 (Texas Sunset Act), but is not abolished under that chapter. The commission shall be reviewed during the periods in which state agencies abolished in 2015 [2003] and every 12th year after that year are reviewed.

SECTION 1.03. Subchapter B, Chapter 571, Government Code, is amended by adding Sections 571.0231 and 571.0232 to read as follows:

Sec. 571.0231. RESTRICTION ON COMMISSION MEMBERSHIP. A
person may not be a member of the commission if the person is
required to register as a lobbyist under Chapter 305.

Sec. 571.0232. GROUNDS FOR REMOVAL. (a) It is a ground for
removal from the commission that a member:

(1) does not have at the time of taking office the
qualifications required by Section 24a, Article III, Texas
Constitution;

(2) does not maintain during service on the commission
the qualifications required by Section 24a, Article III, Texas
Constitution;

(3) is ineligible for membership under Section
571.0231;

(4) cannot, because of illness or disability,
discharge the member's duties for a substantial part of the member's
term; or

(5) is absent from more than half of the regularly
scheduled commission meetings that the member is eligible to attend
during a calendar year without an excuse approved by a majority vote
of the commission.

(b) The validity of an action of the commission is not
affected by the fact that it is taken when a ground for removal of a
commission member exists.

(c) If the executive director has knowledge that a potential
ground for removal exists, the executive director shall notify the
presiding officer of the commission of the potential ground. The
presiding officer shall then notify the governor and the attorney
general that a potential ground for removal exists. If the
potential ground for removal involves the presiding officer, the executive director shall notify the next highest ranking officer of the commission, who shall then notify the governor and the attorney general that a potential ground for removal exists.

SECTION 1.04. Section 571.026(c), Government Code, is amended to read as follows:

(c) An action or recommendation of the commission requiring a vote of the commission is not valid unless:

(1) the action or recommendation is approved by a record vote taken at a meeting of the commission with a quorum present; and

(2) except as otherwise provided by this chapter, the action or recommendation receives an affirmative vote of a majority of the membership of the commission.

SECTION 1.05. Section 571.027(a), Government Code, is amended to read as follows:

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

(1) a formal investigation by the commission;

(2) a sworn complaint filed with the commission; or

(3) a motion adopted by an affirmative record vote of at least six members of the commission.

SECTION 1.06. Subchapter B, Chapter 571, Government Code, is amended by adding Sections 571.0271 and 571.030-571.0303 to read as follows:
Sec. 571.0271. COMMISSION MEMBER TRAINING. (a) A person who is appointed to and qualifies for office as a member of the commission may not vote, deliberate, or be counted as a member in attendance at a meeting of the commission until the person completes a training program that complies with this section.

(b) The training program must provide the person with information regarding:

(1) the legislation that created the commission;
(2) the programs operated by the commission;
(3) the role and functions of the commission;
(4) the rules of the commission, with an emphasis on the rules that relate to disciplinary and investigatory authority;
(5) the current budget for the commission;
(6) the results of the most recent formal audit of the commission;
(7) the requirements of:
   (A) the open meetings law, Chapter 551;
   (B) the public information law, Chapter 552;
   (C) the administrative procedure law, Chapter 2001; and
   (D) other laws relating to public officials, including conflict-of-interest laws; and
(8) any applicable ethics policies adopted by the commission.

(c) A person appointed to the commission is entitled to reimbursement, as provided by the General Appropriations Act, for the travel expenses incurred in attending the training program.
Sec. 571.030. SEPARATION OF RESPONSIBILITIES. The commission shall develop and implement policies that clearly separate the policy-making responsibilities of the commission and the management responsibilities of the executive director and the staff of the commission.

Sec. 571.0301. INFORMATION TO MEMBERS AND EMPLOYEES. The executive director or the executive director's designee shall provide to members and employees of the commission, as often as necessary, information regarding the requirements for office or employment under this chapter, including information regarding a person's responsibilities under applicable laws relating to standards of conduct for state officers or employees.

Sec. 571.0302. EQUAL EMPLOYMENT POLICY. (a) The executive director or the executive director's designee shall prepare and maintain a written policy statement that implements a program of equal employment opportunity to ensure that all personnel decisions are made without regard to race, color, disability, sex, religion, age, or national origin.

(b) The policy statement must include:

(1) personnel policies, including policies relating to recruitment, evaluation, selection, training, and promotion of personnel, that show the intent of the commission to avoid the unlawful employment practices described by Chapter 21, Labor Code; and

(2) an analysis of the extent to which the composition
of the commission's personnel is in accordance with state and federal law and a description of reasonable methods to achieve compliance with state and federal law.

(c) The policy statement must:

(1) be updated annually;

(2) be reviewed by the state Commission on Human Rights for compliance with Subsection (b)(1); and

(3) be filed with the governor's office.

Sec. 571.0303. TRAINING ON STATE EMPLOYEE INCENTIVE PROGRAM. The executive director or the executive director's designee shall provide to commission employees information and training on the benefits and methods of participation in the state employee incentive program.

SECTION 1.07. Section 571.033, Government Code, is renumbered as Section 571.0221, Government Code, and amended to read as follows:

Sec. 571.0221 [571.033]. DISCRIMINATION PROHIBITED. Appointments to the commission shall be made without regard to the [This chapter may not be applied to discriminate on the basis of] race, color, disability, sex, age, national origin, or religion of the appointees.

SECTION 1.08. Section 254.0361, Election Code, is transferred to Subchapter C, Chapter 571, Government Code, is redesignated as Section 571.0671, Government Code, and is amended to read as follows:

Sec. 571.0671 [254.0361]. REQUIREMENTS FOR ELECTRONIC FILING SOFTWARE. (a) Computer software provided or approved by the
C.S.H.B. No. 1606

commission for use under Section 254.036(b), Election Code, or
Section 302.013 or 305.0064 must:

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

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

(3) be capable of being used by a person with basic
computing skills [who uses a computer that uses a Windows operating
system, Macintosh operating system, or another operating system
that the commission determines is as popular as those systems for
use with personal computers]; [and]

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

(5) permit a person using a computer to prepare a
report or to retrieve information from a report to import
information to the report from a variety of computer software
applications that meet commission specifications for a standard
file format or export information from the report to a variety of
computer software applications that meet commission specifications
for a standard file format without the need to reenter information.

(b) Before determining the specifications for computer
software developed, purchased, or licensed for use under Section
254.036, Election Code, or Section 302.013 or 305.0064, the
commission shall conduct at least one public hearing to discuss the
specifications. For at least 10 days following the hearing, the
commission shall accept public comments concerning the software
(c) The commission may provide software for use under Section 254.036(b), Election Code, or Section 302.013 or 305.0064 by making the software available on the Internet. If the commission makes the software available on the Internet, the commission is not required to provide the software on computer diskettes, CD-ROMs, or other storage media without charge to persons required to file reports under that section, but may charge a fee for providing the software on storage media. A fee under this subsection may not exceed the cost to the commission of providing the software.

SECTION 1.09. Subchapter C, Chapter 571, Government Code, is amended by adding Section 571.0672 to read as follows:

Sec. 571.0672. PROPOSITION OF TECHNOLOGICAL SOLUTIONS. The commission shall develop and implement a policy requiring the executive director and commission employees to research and propose appropriate technological solutions to improve the commission's ability to perform its functions. The technological solutions must:

(1) ensure that the public is able to easily find information about the commission on the Internet;

(2) ensure that persons who want to use the commission's services are able to:

(A) interact with the commission through the Internet; and

(B) access any service that can be provided effectively through the Internet; and

(3) be cost-effective and developed through the
commission's planning processes.

SECTION 1.10. Section 571.069, Government Code, is amended by amending Subsections (a) and (b) and adding Subsection (f) to read as follows:

(a) The commission shall [may] review for facial compliance randomly selected statements and reports [a statement or report] filed with the commission and may review any available documents. The commission shall [may] return for resubmission with corrections or additional documentation a statement or report that does not, in the opinion of the commission, comply with the law requiring the statement or report. A statement or report returned for resubmission is considered to have been filed on the date the statement or report was originally filed if:

(1) the statement or report is resubmitted to the commission not later than the seventh business day after the date the person filing the statement or report receives the returned statement or report; and

(2) the resubmitted statement or report complies with law.

(b) The commission may by adopted motion initiate a preliminary review as provided by Section 571.124 or [an affirmative record vote of at least six commission members] perform a complete audit of a statement or report:

(1) if, before the 31st day after the date the statement or report was originally due, the executive director does not obtain from the person information that permits the executive director to determine that the statement or report complies with
(2) if a statement or report returned for resubmission is not resubmitted within the time prescribed by Subsection (a); or

(3) on an affirmative vote of at least six commission members that a statement or report resubmitted under Subsection (a), together with any corrections or additional documentation, does not, in the opinion of the commission, comply with the law requiring the statement or report [only at an informal or formal hearing].

(f) This section may not be construed as limiting or affecting the commission's authority to, on the filing of a motion or receipt of a sworn complaint, review or investigate the sufficiency of a statement or report.

SECTION 1.11. Section 571.073, Government Code, is amended to read as follows:

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

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

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

(A) the number of sworn complaints filed with the commission;

(B) the number of sworn complaints dismissed for noncompliance with statutory form requirements;

(C) the number of sworn complaints dismissed for
lack of jurisdiction;

(D) the number of sworn complaints dismissed
after a finding of no credible evidence of a violation;

(E) the number of sworn complaints dismissed
after a finding of a lack of sufficient evidence to determine
whether a violation within the jurisdiction of the commission has
occurred;

(F) the number of sworn complaints resolved by
the commission through an agreed order; and

(G) the number of sworn complaints in which the
commission issued an order finding a violation and the resulting
penalties, if any; and

(3) recommendations for any necessary statutory
changes.

SECTION 1.12. Subchapter C, Chapter 571, Government Code,
is amended by adding Section 571.078 to read as follows:

Sec. 571.078. NEGOTIATED RULEMAKING AND ALTERNATIVE
DISPUTE RESOLUTION. (a) The commission shall develop and
implement a policy to encourage the use of:

(1) negotiated rulemaking procedures under Chapter
2008 for the adoption of commission rules; and

(2) appropriate alternative dispute resolution
procedures under Chapter 2009 to assist in the resolution of
internal and external disputes under the commission's
jurisdiction.

(b) Subsection (a)(2) does not apply to a preliminary review
or preliminary review hearing under Sections 571.124 through
571.126.  
(c) The commission's procedures relating to alternative 
dispute resolution must conform, to the extent possible, to any 
model guidelines issued by the State Office of Administrative 
Hearings for the use of alternative dispute resolution by state 
agencies.  
(d) The commission shall designate a trained person to:  
(1) coordinate the implementation of the policy 
adopted under Subsection (a);  
(2) serve as a resource for any training needed to 
implement the procedures for negotiated rulemaking or alternative 
dispute resolution; and 
(3) collect data concerning the effectiveness of those 
procedures, as implemented by the commission.

SECTION 1.13. Section 571.121(a), Government Code, is 
amended to read as follows:  
(a) The commission may:  
(1) hold hearings, on its own motion adopted by an affirmative record vote of the at least six commission members 
or on a sworn complaint, and render decisions on complaints or 
reports of violations as provided by this chapter; and  
(2) agree to the settlement of issues.  

SECTION 1.14. Subchapter E, Chapter 571, Government Code, 
is amended by adding Sections 571.1211 and 571.1212 to read as 
follows:  
Sec. 571.1211. DEFINITIONS. In this subchapter:  
(1) "Campaign communication" and "political
"advertising" have the meanings assigned by Section 251.001, Election Code.

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

(A) the failure by a person required to file a statement or report to:

   (i) file the required statement or report in a manner that complies with applicable requirements; or

   (ii) timely file the required statement or report;

(B) the failure by a person to timely pay the filing fee or file an affidavit of inability to pay the filing fee as required by Section 254.002, Election Code;

(C) a violation of Section 255.001, Election Code;

(D) a misrepresentation in political advertising or a campaign communication relating to the office held by a person in violation of Section 255.006, Election Code;

(E) a failure to include in any written political advertising intended to be seen from a road the right-of-way notice in violation of Section 255.007, Election Code; or

(F) a failure to timely respond to a written notice under Section 571.123(b).

(3) "Category Two violation" means a violation of a law within the jurisdiction of the commission that is not a Category
Sec. 571.1212. CATEGORIZATION OF VIOLATIONS. An allegation of a violation listed as a Category One violation shall be treated as a Category Two violation if the executive director at any time determines that:

(1) the allegation arises out of the same set of facts as those that give rise to an allegation of a Category Two violation, and the interests of justice or efficiency require resolution of the allegations together; or

(2) the facts and law related to a particular allegation or a defense to the allegation present a level of complexity that prevents resolution through the preliminary review procedures for Category One violations prescribed by Section 571.1242(a).

SECTION 1.15. Section 571.122(a), Government Code, is amended to read as follows:

(a) An individual may file with the commission a sworn complaint, on a form prescribed by the commission, alleging that a person subject to a law administered and enforced by the commission has violated a rule adopted by or a law administered and enforced by the commission. The commission shall make the complaint form available on the Internet.

SECTION 1.16. Section 571.123(b), Government Code, is amended to read as follows:

(b) Not later than the fifth [14th] business day after the date a complaint is filed, the commission shall send written notice to the complainant and the respondent. The notice must state
whether the complaint complies with the form requirements of Section 571.122.

SECTION 1.17. Sections 571.124(a)-(c), (e), and (f), Government Code, are amended to read as follows:

(a) The commission staff shall promptly conduct a preliminary review on receipt of a written complaint that is in compliance with the form requirements of Section 571.122.

(b) On a motion adopted by an affirmative record vote of the commission, the commission, without a sworn complaint, may initiate a preliminary review of the matter that is the subject of the motion.

(c) The executive director shall determine in writing whether the commission has jurisdiction over the violation of law alleged in a sworn complaint processed under Section 571.123.

(e) If the executive director determines that the commission has jurisdiction, the notice under Section 571.123(b) must include:

1. a statement that the commission has jurisdiction over the violation of law alleged in the complaint;

2. a statement of whether the complaint will be processed as a Category One violation or a Category Two violation, subject to reconsideration as provided for by Section 571.1212;

3. the date by which the respondent is required to respond to the notice;

4. a copy of the complaint and the rules of procedure of the commission.
a statement of the rights of the respondent;

a statement inviting the respondent to provide to the commission any information relevant to the complaint; and

a statement that a failure to timely respond to the notice will be treated as a separate violation [(4) the date the commission will begin a preliminary review of the complaint].

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

(1) dismiss the complaint; and

(2) not later than the fifth business day after the date of the dismissal, send to the complainant and the respondent written notice of the dismissal and the grounds for the dismissal.

SECTION 1.18. Subchapter E, Chapter 571, Government Code, is amended by adding Sections 571.1241-571.1244 to read as follows:

Sec. 571.1241. REVIEW OF EXECUTIVE DIRECTOR'S DETERMINATION OF NO JURISDICTION. (a) If the executive director determines that the commission does not have jurisdiction over the violation alleged in the complaint, the complainant may request that the commission review the determination. A request for review under this section must be filed not later than the 30th day after the date the complainant receives the executive director's determination.

(b) The commission may reverse the executive director's determination only on the affirmative vote of at least six members.
(c) Not later than the fifth business day after the date of
the commission's determination under this section, the commission
shall send written notice to the complainant and the respondent
stating whether the commission has jurisdiction over the violation
alleged in the complaint. If the commission determines that the
commission has jurisdiction, the notice must include the items
listed in Section 571.124(e).

Sec. 571.1242. PRELIMINARY REVIEW: RESPONSE BY RESPONDENT.
(a) If the alleged violation is a Category One violation:
   (1) the respondent must respond to the notice required
       by Section 571.123(b) not later than the seventh business day after
       the date the respondent receives the notice; and
   (2) if the matter is not resolved by agreement between
       the commission and the respondent before the 21st business day
       after the date the respondent receives the notice under Section
       571.123(b), the commission shall set the matter for a preliminary
       review hearing to be held at the next commission meeting for which
       notice has not yet been posted.

(b) If the alleged violation is a Category Two violation:
   (1) the respondent must respond to the notice required
       by Section 571.123(b) not later than the 20th business day after the
       date the respondent receives the notice under Section 571.123(b); and
   (2) if the matter is not resolved by agreement between
       the commission and the respondent before the 61st business day
       after the date the respondent receives the notice under Section
       571.123(b), the commission shall set the matter for a preliminary
review hearing to be held at the next commission meeting for which notice has not yet been posted.

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

(d) The response required by Subsection (a) or (b) must include any challenge the respondent seeks to raise to the commission's exercise of jurisdiction. In addition, the respondent may:

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

(2) deny the allegations contained in the complaint and provide evidence supporting the denial; or

(3) agree to enter into an assurance of voluntary compliance or other agreed order, which may include an agreement to immediately cease and desist.

(e) If the commission sets the matter for a preliminary review hearing, the commission shall promptly send to the complainant and the respondent written notice of the date, time, and place of the preliminary review hearing.

Sec. 571.1243. PRELIMINARY REVIEW: WRITTEN QUESTIONS. During a preliminary review, the commission staff may submit to the complainant or respondent written questions reasonably intended to lead to the discovery of matters relevant to the investigation.

Sec. 571.1244. PRELIMINARY REVIEW AND PRELIMINARY REVIEW PROCEDURES. The commission shall adopt procedures for the conduct of preliminary reviews and preliminary review hearings. The procedures must include:
A reasonable time for responding to questions submitted by the commission and commission staff and subpoenas issued by the commission; and

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

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

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

SECTION 1.19. Section 571.125, Government Code, is amended to read as follows:

Sec. 571.125. PRELIMINARY REVIEW HEARING: PROCEDURE. (a) The commission shall conduct a preliminary review hearing if:

(1) following the preliminary review, the commission and the respondent cannot agree to the disposition of the complaint or motion; or

(2) the respondent in writing requests a hearing.

(b) The commission shall provide written notice to the complainant, if any, and the respondent of the date, time, and place the commission will conduct the preliminary review hearing.

(c) At or after the time the commission provides notice of a preliminary review hearing, the commission may submit to the
complainant and the respondent written questions and require those questions to be answered under oath within a reasonable time.

(d) During a preliminary review hearing, the commission:

(1) may consider all submitted evidence related to the complaint or to the subject matter of a motion under Section 571.124(b);

(2) may review any documents or material related to the complaint or to the motion; and

(3) shall determine whether there is credible evidence that provides cause for the commission to conclude that a violation within the jurisdiction of the commission has occurred.

(e) During a preliminary review hearing, the respondent may appear before the commission with the assistance of counsel, if desired by the respondent, and present any relevant evidence, including a written statement.

SECTION 1.20. The heading to Section 571.126, Government Code, is amended to read as follows:

Sec. 571.126. PRELIMINARY REVIEW HEARING: RESOLUTION.

SECTION 1.21. Sections 571.126(a), (b), and (d), Government Code, are amended to read as follows:

(a) As soon as practicable after the completion of a preliminary review hearing, the commission by [record] vote shall issue a decision stating:

(1) whether there is credible evidence for the commission to determine that a violation within the jurisdiction of the commission has occurred and whether the violation is technical or de minimis; or
(2) that there is insufficient evidence for the commission to determine whether a violation within the jurisdiction of the commission has occurred.

(b) If the commission determines that there is credible evidence for the commission to determine that a violation has occurred, the commission shall resolve and settle the complaint or motion to the extent possible. If the commission successfully resolves and settles the complaint or motion, not later than the fifth business day after the date of the final resolution of the complaint or motion, the commission shall send to the complainant, if any, and the respondent a copy of the decision stating the commission's determination and written notice of the resolution and the terms of the resolution. If the commission is unsuccessful in resolving and settling the complaint or motion, the commission [in its discretion] shall:

(1) order a formal [an informal] hearing to be held in accordance with Sections 571.129 through 571.132 [Section 571.127]; and

(2) not later than the fifth business day after the date of the decision, send to the complainant, if any, and the respondent:

(A) a copy of the decision;

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

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

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

(E) a copy of the complaint or motion;

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

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

(d) If the commission determines that there is insufficient credible evidence for the commission to determine that a violation within the jurisdiction of the commission has occurred, the commission may dismiss the complaint or motion or promptly conduct a formal [an informal] hearing under Sections 571.129 through 571.132 [Section 571.127]. Not later than the fifth business day after the date of the commission's determination under this subsection, the commission shall send to the complainant, if any, and the respondent a copy of the decision stating the commission's determination and written notice of the grounds for the determination.

SECTION 1.22. Section 571.129, Government Code, is amended to read as follows:

Sec. 571.129. FORMAL HEARING: STANDARD OF EVIDENCE. During a formal hearing, the commission shall determine by a preponderance of the [clear and convincing] evidence whether a violation within the jurisdiction of the commission has occurred.

SECTION 1.23. Sections 571.132(a) and (b), Government Code, are amended to read as follows:

(a) Not later than the 30th business day after the date the State Office of Administrative Hearings issues a proposal for decision [formal hearing is completed], the commission shall
convene a meeting and by motion shall issue:

(1) a final decision stating the resolution of the formal hearing; and

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

(b) The motion must be adopted by [record] vote of the commission [at least six members if the final decision is that a violation has occurred or by five members if the final decision is that a violation has not occurred].

SECTION 1.24. Subchapter E, Chapter 571, Government Code, is amended by amending Sections 571.135 and 571.136 and adding Section 571.1351 to read as follows:

Sec. 571.135. PUBLIC INTEREST INFORMATION[; STATUS OF COMPLAINT]. (a) The commission shall develop plain-language materials as described by this section [prepare information of public interest describing the functions of the commission and the procedures by which sworn or other complaints are filed with and resolved by the commission]. The commission shall distribute the materials [make the information available] to the public and appropriate state agencies.

(b) The materials must include:

(1) a description of:

(A) the commission’s responsibilities;

(B) the types of conduct that constitute a violation of a law within the jurisdiction of the commission;
(C) the types of sanctions the commission may impose;

(D) the commission's policies and procedures relating to complaint investigation and resolution; and

(E) the duties of a person filing a complaint with the commission; and

(2) a diagram showing the basic steps in the commission's procedures relating to complaint investigation and resolution.

(c) The commission shall provide the materials described by this section to each complainant and respondent.

(d) The commission shall adopt a policy to effectively distribute materials as required by this section.

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

(1) the name of the person who filed the complaint;

(2) the date the complaint is received by the commission;

(3) the subject matter of the complaint;

(4) the name of each person contacted in relation to the complaint;

(5) a summary of the results of the review or investigation of the complaint; and

(6) an explanation of the reason the file was closed, if the commission closed the file without taking action other than to investigate the complaint.
(b) The commission shall provide to the person filing the complaint and to each person who is a subject of the complaint a copy of the commission's policies and procedures relating to complaint investigation and resolution.

(c) In addition to the notice required by Sections 571.123 through 571.132, the commission, at least quarterly until final disposition of a complaint, shall notify the person who filed the complaint and each person who is a subject of the complaint, if any, of the status of the sworn or other complaint.

Sec. 571.136. EXTENSION OF DEADLINE. The commission may, on its own motion or on the reasonable request of a respondent, extend any deadline for action relating to a sworn complaint, motion, preliminary review, informal hearing, or formal hearing.

SECTION 1.25. Section 571.137, Government Code, is amended by amending Subsections (a) and (e) and adding Subsections (a-1)-(a-3) to read as follows:

(a) In connection with an informal or a formal hearing, the commission, as authorized by this chapter, may subpoena and examine witnesses and documents that directly relate to a sworn complaint.

(a-1) In connection with a preliminary review, the commission, for good cause and as authorized by this chapter, may subpoena documents and witnesses on application by the commission staff and a motion adopted by a vote of at least six members of the commission, for the purpose of attempting to obtain from the documents or witnesses specifically identified information, if the
commission reasonably believes that the specifically identified
information:

(1) is likely to be determinative as to whether the
subject of an investigation has violated a law within the
jurisdiction of the commission;

(2) can be determined from the documents or is known by
the witnesses; and

(3) is not reasonably available through a less
intrusive means.

(a-2) The commission shall adopt procedures for the
issuance of subpoenas under this section.

(a-3) A copy of a subpoena issued under this section [of the
commission] must be delivered to the respondent.

(e) A subpoenaed witness who attends a commission hearing is
entitled to the same mileage and per diem payments as a witness who
appears before a grand jury. A person who provides subpoenaed
documents to the commission is entitled to reimbursement from the
commission for the person's reasonable cost of producing the
documents.

SECTION 1.26. Section 571.138, Government Code, is amended
to read as follows:

Sec. 571.138. STATUS OF COMPLAINANT. The complainant is
not a party to a preliminary review, preliminary review[, informal]
hearing, or formal hearing under this subchapter.

SECTION 1.27. Sections 571.139(a) and (b), Government Code,
are amended to read as follows:

(a) Except as provided by Section 571.140(b), Chapter 552
does not apply to documents or any additional evidence relating to
the processing, preliminary review, preliminary review[, informal]
hearing, or resolution of a sworn complaint or motion.

(b) Chapter 551 does not apply to the processing,
preliminary review, preliminary review[, informal] hearing, or
resolution of a sworn complaint or motion, but does apply to a
formal hearing held under Sections 571.129 through 571.131.

SECTION 1.28. Section 571.140, Government Code, is amended
by amending Subsections (a)-(c) and adding Subsections (b-1), (e),
and (f) to read as follows:

(a) Except as provided by Subsection (b) or (b-1) or by
Section 571.171, proceedings at a preliminary review [or informal]
hearing performed by the commission, a sworn complaint, and
documents and any additional evidence relating to the processing,
preliminary review, preliminary review[, informal] hearing, or
resolution of a sworn complaint or motion are confidential and may
not be disclosed unless entered into the record of a formal hearing
or a judicial proceeding, except that a document or statement that
was previously public information remains public information.

(b) An order issued by the commission after the completion
of a preliminary review or [an informal] hearing determining that a
violation other than a technical or de minimis violation has
occurred is not confidential.

(b-1) A commission employee may, for the purpose of
investigating a sworn complaint or motion, disclose to the
complainant, the respondent, or a witness information that is
otherwise confidential and relates to the sworn complaint if:
(1) the employee makes a good faith determination that
the disclosure is necessary to conduct the investigation;
(2) the employee's determination under Subdivision (1)
is objectively reasonable;
(3) the executive director authorizes the disclosure;
and
(4) the employee discloses only the information
necessary to conduct the investigation.
(c) A person commits an offense if the person discloses
information made confidential by this section. An offense under
this subsection is a Class C [A]
misdemeanor.
(e) The commission shall terminate the employment of a
commission employee who violates Subsection (a).
(f) A commission employee who discloses confidential
information in compliance with Subsection (b-1) is not subject to
Subsections (c), (d), and (e).

SECTION 1.29. Subchapter E, Chapter 571, Government Code,
is amended by adding Section 571.141 to read as follows:
Sec. 571.141. AVAILABILITY OF COMMISSION ORDERS ON
INTERNET. (a) As soon as practicable following a preliminary
review, preliminary review hearing, or formal hearing at which the
commission determines that a person has committed a violation
within the commission's jurisdiction, the commission shall make
available on the Internet:
(1) a copy of the commission's order stating the
determination; or
(2) a summary of the commission's order.
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(b) This section does not apply to a determination of a violation that is technical or de minimis.

SECTION 1.30. Section 571.171, Government Code, is amended to read as follows:

Sec. 571.171. INITIATION AND REFERRAL. (a) On a motion adopted by an affirmative [record] vote of at least six commission members, the commission may initiate civil enforcement actions and refer matters to the appropriate prosecuting attorney for criminal prosecution.

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

(c) In making a referral to a prosecuting attorney under this section, the commission or executive director may disclose confidential information.

SECTION 1.31. Subchapter F, Chapter 571, Government Code, is amended by adding Section 571.1731 to read as follows:

Sec. 571.1731. WAIVER OR REDUCTION OF LATE FILING PENALTY.

(a) A person may request the waiver or reduction of a civil penalty under Section 305.033(b) or 572.033(b) of this code or Section 254.042(b), Election Code, by submitting an affidavit to the executive director that states the filer's reasons for requesting a waiver or reduction.

(b) The commission may waive or reduce a civil penalty if the commission finds that a waiver or reduction is in the public
interest and in the interest of justice. The commission shall consider the following before acting to waive or reduce a civil penalty:

(1) the facts and circumstances supporting the person's request for a waiver or reduction;

(2) the seriousness of the violation, including the nature, circumstances, consequences, extent, and gravity of the violation, and the amount of the penalty;

(3) any history of previous violations by the person;

(4) the demonstrated good faith of the person, including actions taken to rectify the consequences of the violation;

(5) the penalty necessary to deter future violations;

and

(6) any other matter that justice may require.

(c) After hearing the waiver request, the commission may affirm, reduce, or waive the civil penalty.

SECTION 1.32. Sections 571.124(d), 571.127, and 571.128, Government Code, are repealed.

SECTION 1.33. Sections 571.0231 and 571.0271, Government Code, as added by this Act, do not affect the entitlement of a member of the Texas Ethics Commission serving on the commission immediately before September 1, 2003, to continue to serve and function as a member of the commission for the remainder of the member's term. Sections 571.0231 and 571.0271, Government Code, as added by this Act, apply only to a member appointed on or after September 1, 2003.
ARTICLE 2. CAMPAIGN FINANCE AND POLITICAL ADVERTISING

SECTION 2.01. Section 251.001(16), Election Code, is amended to read as follows:

(16) "Political advertising" means a communication supporting or opposing a candidate for nomination or election to a public office or office of a political party, a political party, a public officer, or a measure that:

(A) in return for consideration, is published in a newspaper, magazine, or other periodical or is broadcast by radio or television; or

(B) appears:

(i) in a pamphlet, circular, flier, billboard or other sign, bumper sticker, or similar form of written communication; or

(ii) on an Internet website.

SECTION 2.02. Section 251.003, Election Code, is amended to read as follows:

Sec. 251.003. PROHIBITION OF DOCUMENT FILING FEE. Except as provided by Section 254.002, a charge may not be made for filing a document required to be filed under this title.

SECTION 2.03. Chapter 252, Election Code, is amended by adding Section 252.0131 to read as follows:

Sec. 252.0131. TERMINATION OF CAMPAIGN TREASURER APPOINTMENT BY COMMISSION. (a) The commission by rule shall adopt a process by which the commission may terminate the campaign treasurer appointment of an inactive candidate or political committee that:
(1) is required to file a campaign treasurer appointment with the commission;

(2) has never filed or has ceased to file reports under Chapter 254;

(3) in the case of a candidate, has not been elected to an office specified by Section 252.005(1) or (5); and

(4) has not filed:

(A) a final report under Section 254.065 or 254.125; or

(B) a dissolution report under Section 254.126 or 254.159.

(b) Before the commission may terminate a campaign treasurer appointment, the commission must consider the proposed termination in a regularly scheduled open meeting.

(c) Rules adopted under this section must:

(1) define "inactive candidate or political committee" for purposes of terminating the candidate's or committee's campaign treasurer appointment; and

(2) require written notice to the affected candidate or committee of:

(A) the proposed termination of the candidate's or committee's campaign treasurer appointment;

(B) the date, time, and place of the meeting at which the commission will consider the proposed termination; and

(C) the effect of termination of the candidate's or committee's campaign treasurer appointment.

(d) The termination of a campaign treasurer appointment
under this section takes effect on the 30th day after the date of
the commission meeting at which the commission votes to terminate
the appointment. Following that meeting, the commission shall
promptly notify the affected candidate or political committee that
the appointment has been terminated. The notice must state the
effective date of the termination.

SECTION 2.04. The heading to Section 253.034, Election
Code, is amended to read as follows:

Sec. 253.034. RESTRICTIONS ON CONTRIBUTIONS DURING AND
FOLLOWING REGULAR LEGISLATIVE SESSION.

SECTION 2.05. Section 253.034(a), Election Code, is amended
to read as follows:

(a) During the period beginning on the 30th day before the
date a regular legislative session convenes and continuing through
the 20th day after the date of final adjournment, a person may not
knowingly make a political contribution to:

(1) a statewide officeholder;
(2) a member of the legislature; or
(3) a specific-purpose committee for supporting,
opposing, or assisting a statewide officeholder or member of the
legislature.

SECTION 2.06. The heading to Section 253.0341, Election
Code, is amended to read as follows:

Sec. 253.0341. RESTRICTIONS ON CONTRIBUTIONS TO
LEGISLATIVE CAUCUSES DURING AND FOLLOWING REGULAR LEGISLATIVE
SESSION.

SECTION 2.07. Section 253.0341(a), Election Code, is
amended to read as follows:

(a) During the period beginning on the 30th day before the
date a regular legislative session convenes and continuing through
the 20th day after the date of final adjournment, a person not a
member of the caucus may not knowingly make a contribution to a
legislative caucus.

SECTION 2.08. The heading to Subchapter A, Chapter 254,
Election Code, is amended to read as follows:

SUBCHAPTER A. GENERAL PROVISIONS; RECORDKEEPING

SECTION 2.09. Subchapter A, Chapter 254, Election Code, is
amended by adding Section 254.002 to read as follows:

Sec. 254.002. ANNUAL FILING FEE. (a) As provided by this
section, each candidate, officeholder, political committee, former
candidate, or former officeholder who is required to file reports
under this chapter with the commission shall:

(1) pay to the commission an annual filing fee of $100;
or

(2) file with the commission an affidavit of inability


to pay the filing fee.

(b) Not later than January 15, a candidate, officeholder,
political committee, former candidate, or former officeholder who
is required to file a report under Section 254.063(c), 254.093(c),
254.123(c), 254.153(c), or 254.202 for the preceding calendar year
shall pay the filing fee or file the affidavit of inability to pay
the filing fee.

(c) If a candidate, officeholder, or political committee
becomes subject to the reporting requirements of this chapter after

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January 1, the person shall pay the filing fee or file the affidavit of inability to pay the filing fee.

(d) For purposes of Subsection (c), a report that is filed by electronic transfer to the commission is considered to be accompanied by the filing fee or affidavit of inability to pay the filing fee if, not later than the applicable deadline for the statement or report:

(1) the fee or affidavit is sent by first class United States mail or common or contract carrier;
(2) the envelope containing the fee or affidavit is properly addressed with postage or handling charges prepaid; and
(3) the envelope bears a post office cancellation mark or a receipt mark of a common or contract carrier indicating a time before the deadline or the person required to file the statement or report furnishes satisfactory proof that the envelope was deposited in the mail or with a common or contract carrier before the deadline.

(e) The use of funds derived from a political contribution to pay a filing fee under this section is not a violation of Section 253.035.

SECTION 2.10. Section 254.035, Election Code, is amended by adding Subsection (c) to read as follows:

(c) The amount of a political expenditure made by credit card is readily determinable by the person making the expenditure on the date the person receives the credit card statement that includes the expenditure.

SECTION 2.11. Section 254.036, Election Code, is amended by
amending Subsections (b) and (c) and adding Subsection (c-1) to read as follows:

(b) Except as provided by Subsection (c), [(d), (e), or (f), [(g),] each report filed under this chapter with the commission must be filed by computer diskette, modem, or other means of electronic transfer, using computer software provided by the commission or computer software that meets commission specifications for a standard file format.

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

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

(2) the candidate, officeholder, or committee does not, in a calendar year, accept political contributions that in the aggregate exceed $50,000 or make political expenditures that in the aggregate exceed $50,000.

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

(1) the candidate, officeholder, or committee, a consultant of the candidate, officeholder, or committee, or a person with whom the candidate, officeholder, or committee contracts uses computer equipment for a purpose described by this subsection; or

(2) the candidate, officeholder, or committee exceeds $50,000 in political contributions or political expenditures in a calendar year[, the candidate, officeholder, or committee is required to file reports under Subsection (b)].

SECTION 2.12. Section 254.0401(a), Election Code, is amended to read as follows:

(a) The [Except as provided by Subsection (b), the] commission shall make each report filed with the commission under Section 254.036(b) available to the public on the Internet not later than the second business day after the date the report is filed.

SECTION 2.13. Section 254.042(b), Election Code, is amended to read as follows:

(b) If a report other than a report under Section 254.064(c), 254.124(c), or 254.154(c) is determined to be late, the person required to file the report is [civilly] liable to the state for a civil penalty of $500 [an amount determined by commission rule, but not to exceed $100 for each day that the report is late]. If a report under Section 254.064(c), 254.124(c), or 254.154(c) is determined to be late, the person required to file the report is
liable to the state for a civil penalty of $500 for the first day the
report is late and $100 for each day thereafter that the report is
late. If a report is more than 30 days late, the commission shall
issue a warning of liability by registered mail to the person
required to file the report. If the penalty is not paid before the
10th day after the date on which the warning is received, the person
is liable for a civil penalty in an amount determined by commission
rule, but not to exceed $10,000.

SECTION 2.14. Section 254.151, Election Code, is amended to
read as follows:

Sec. 254.151. ADDITIONAL CONTENTS OF REPORTS. In addition
to the contents required by Section 254.031, each report by a
campaign treasurer of a general-purpose committee must include:

(1) the committee's full name and address;
(2) the full name, residence or business street
address, and telephone number of the committee's campaign
treasurer;
(3) the identity and date of the election for which the
report is filed, if applicable;
(4) the name of each identified candidate or measure
or classification by party of candidates supported or opposed by
the committee, indicating whether the committee supports or opposes
each listed candidate, measure, or classification by party of
candidates;
(5) the name of each identified officeholder or
classification by party of officeholders assisted by the committee;
(6) the principal occupation of each person from whom
political contributions that in the aggregate exceed $50 are accepted during the reporting period;

   (7) the amount of each political expenditure in the form of a political contribution made to a candidate, officeholder, or another political committee that is returned to the committee during the reporting period, the name of the person to whom the expenditure was originally made, and the date it is returned; [and]

   (8) on a separate page or pages of the report, the identification of any contribution from a corporation or labor organization made and accepted under Subchapter D, Chapter 253; and

   (9) on a separate page or pages of the report, the identification of any expenditure made by a corporation or labor organization to:

         (A) establish or administer the political committee; or

         (B) finance the solicitation of political contributions to the committee under Section 253.100.

SECTION 2.15. Section 255.001, Election Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

   (a) A person may not knowingly enter into a contract or other agreement to print, publish, display, or broadcast political advertising that does not indicate in the advertising:

       (1) that it is political advertising;
       (2) the full name of either the individual who personally entered into the contract or agreement with the printer, publisher, or broadcaster or the person that individual represents;
and

(3) in the case of advertising that is printed or published, the address of either the individual who personally entered into the agreement with the printer or publisher or the person that individual represents.

(a-1) A person may not knowingly use, cause or permit to be used, or continue to use any printed, published, displayed, or broadcast political advertising that the person knows does not include the disclosure required by Subsection (a). A person is presumed to know that the use of political advertising is prohibited by this subsection if the commission notifies the person in writing that the use is prohibited.

SECTION 2.16. The heading to Section 257.005, Election Code, is amended to read as follows:

Sec. 257.005. CANDIDATE FOR STATE OR COUNTY CHAIR [STATE CHAIRMAN] OF POLITICAL PARTY.

SECTION 2.17. Section 257.005(a), Election Code, is amended to read as follows:

(a) Except as provided by this section, the following are subject to the requirements of this title that apply to a candidate for public office:

(1) a [A] candidate for state chair of a political party with a nominee on the ballot in the most recent gubernatorial general election; and

(2) a candidate for election to the office of county chair of a political party with a nominee on the ballot in the most recent gubernatorial general election if the county has a
populations of 400,000 or more [is subject to the requirements of this title that apply to a candidate for public office, except as provided by this section].

SECTION 2.18. Sections 253.100(d), 254.036(d) and (g), and 254.0401(b) and (c), Election Code, are repealed.

SECTION 2.19. (a) Section 254.002, Election Code, as added by this Act, applies beginning January 1, 2004.

(b) Section 254.036, Election Code, as amended by this Act, applies only to a report required to be filed under Chapter 254, Election Code, on or after September 1, 2003. A report required to be filed under Chapter 254, Election Code, before September 1, 2003, is governed by the law in effect on the date the report was required to be filed, and the former law is continued in effect for that purpose.

(c) Section 254.042(b), Election Code, as amended by this Act, applies only to a civil penalty imposed for a late report under Chapter 254, Election Code, that is required to be filed on or after September 1, 2003. A civil penalty imposed for a late report under Chapter 254, Election Code, that is required to be filed before September 1, 2003, is governed by the law in effect on the date the report was required to be filed, and the former law is continued in effect for that purpose.

(d) Section 254.151, Election Code, as amended by this Act, applies to the reporting of an expenditure made on or after September 1, 2003. The reporting of an expenditure made before September 1, 2003, is governed by the law in effect at the time the expenditure was made.
Section 255.001(a), Election Code, as amended by this Act, applies only to a contract to display political advertising that is entered into on or after September 1, 2003. A contract to display political advertising that is entered into before September 1, 2003, is governed by the law in effect on the date the contract is entered into, and the former law is continued in effect for that purpose.

Section 255.001(a-1), Election Code, as added by this Act, applies only to the use of political advertising on or after September 1, 2003.

ARTICLE 3. SPEAKER'S RACE

SECTION 3.01. Subchapter B, Chapter 302, Government Code, is amended by adding Section 302.0121 to read as follows:

Sec. 302.0121. DECLARATION OF SPEAKER CANDIDACY. (a) Each speaker candidate shall file a declaration of candidacy with the Texas Ethics Commission as provided by this section.

(b) A declaration of speaker candidacy must:

(1) be in writing;

(2) identify the legislative session as to which the candidacy relates; and

(3) include:

(A) the speaker candidate's name;

(B) the speaker candidate's residence or business street address; and

(C) the speaker candidate's telephone number.

(c) Except as provided by Subsection (e), a speaker candidate may not knowingly accept a contribution, loan, or promise
of a contribution or loan in connection with the speaker candidacy or make or authorize a campaign expenditure at a time when a declaration of candidacy for the candidate is not in effect.

(d) A declaration of speaker candidacy terminates on the earlier of:

(1) the date the speaker candidate files a written statement with the Texas Ethics Commission stating that the candidate has terminated the candidacy; or

(2) the date a speaker is elected for the legislative session as to which the speaker candidate filed the statement.

(e) A former speaker candidate whose declaration of speaker candidacy is terminated under Subsection (d) may make a campaign expenditure in connection with a debt incurred during the period the former speaker candidate's declaration of candidacy was in effect.

SECTION 3.02. Section 302.013, Government Code, is amended by amending Subsections (b) and (d) and adding Subsection (e) to read as follows:

(b) Each speaker candidate shall file the statement on:

(1) the first filing date after the date on which the speaker candidate files the declaration of candidacy required by Section 302.0121 [announcement or initiation of the candidacy];

(2) each filing date during the candidacy; and

(3) each filing date until all campaign loans have been repaid.

(d) Each speaker candidate shall file the statement by computer diskette, modem, or other means of electronic transfer,
using computer software provided [on an official form designed] by
the Texas Ethics Commission or computer software that meets
commission specifications for a standard file format.

(e) The Texas Ethics Commission shall implement an
electronic filing system under Subsection (d) not later than
September 1, 2004. The commission by rule shall identify the date
on which the requirement that a statement must be made as required
by Subsection (d) takes effect and the first reporting period under
Subsection (c) for which a statement must be made as required by
Subsection (d). This subsection expires January 1, 2005.

SECTION 3.03. Section 302.015(b), Government Code, is
amended to read as follows:

(b) A statement required to be filed on the day before a
regular or called session convenes must actually be delivered and
in the possession of the Texas Ethics Commission not later than 5
[4] p.m. of that day.

SECTION 3.04. Subchapter B, Chapter 302, Government Code,
is amended by adding Sections 302.0191 and 302.0201 to read as
follows:

Sec. 302.0191. CONTRIBUTIONS AND EXPENDITURES FROM
POLITICAL CONTRIBUTIONS. A person, including a speaker candidate,
may not make a contribution to a speaker candidate's campaign or an
expenditure to aid or defeat a speaker candidate from:

(1) political contributions accepted under Title 15,
Election Code;

(2) interest earned on political contributions
accepted under Title 15, Election Code; or
an asset purchased with political contributions accepted under Title 15, Election Code.

Sec. 302.0201. DISPOSITION OF UNEXPENDED FUNDS; REPORT.

(a) A former speaker candidate may:

(1) use unexpended campaign funds to retire debt incurred in connection with the speaker candidacy; or

(2) remit unexpended campaign funds to one or more of the following:

(A) one or more persons from whom campaign funds were received, in accordance with Subsection (c); or

(B) a recognized tax-exempt, charitable organization formed for educational, religious, or scientific purposes.

(b) A former speaker candidate may not retain contributions covered by this subchapter, assets purchased with the contributions, or interest and other income earned on the contributions for more than six years after the date the person ceases to be a speaker candidate or hold the office of speaker.

(c) The amount of campaign funds disposed of under Subsection (a)(2)(A) to one person may not exceed the aggregate amount accepted from that person in connection with the former speaker candidate's most recent campaign for election to the office of speaker.

(d) Not later than January 15 of each year, a former speaker candidate who retains unexpended campaign funds shall file a sworn report with the Texas Ethics Commission that includes:

(1) the full name and address of each person to whom a
payment from unexpended campaign funds is made;

(2) the date and amount of each payment reported under Subdivision (1); and

(3) the information required by Section 302.014 as to any contribution, loan, or expenditure not previously reported on a statement filed under Section 302.013.

(e) A report filed under this section covers, as applicable:

(1) the period:

(A) beginning on the date after the last day of the period covered by the most recent statement filed by the former speaker candidate under Section 302.013; and

(B) ending on December 31 of the preceding year;

or

(2) the preceding calendar year.

(f) A former speaker candidate shall file the report on an official form designed by the Texas Ethics Commission. Sections 302.015 and 302.016 apply to a report filed under this section.

(g) For purposes of this section, a speaker candidate elected as speaker of the house of representatives is considered to be a former speaker candidate.

SECTION 3.05. Section 302.021, Government Code, is amended by amending Subsections (a) and (f) and adding Subsection (e-1) to read as follows:

(a) A speaker candidate or former speaker candidate commits an offense if the person:

(1) knowingly fails to file the declaration of candidacy required by Section 302.0121;
(2) knowingly [wilfully] fails to file the statement required by Section 302.013;

(3) knowingly accepts a contribution, loan, or promise of a contribution or loan in violation of Section 302.0121(c);

(4) [4] knowingly accepts [receives] a contribution, loan, or promise of a contribution or loan prohibited by Section 302.017 from a corporation, partnership, association, firm, union, foundation, committee, club, or other organization or group of persons; [or]

(5) knowingly accepts a contribution from a person who uses political contributions, interest earned on political contributions, or an asset purchased with political contributions to make the contribution in violation of Section 302.0191;

(6) [4] expends campaign funds for any purpose other than those enumerated in Section 302.020;

(7) knowingly retains contributions, assets purchased with contributions, or interest or other income earned on contributions in violation of Section 302.0201(b); or

(8) knowingly fails to file the report of unexpended campaign funds as required by Section 302.0201(d).

(e-1) A person commits an offense if the person knowingly makes a contribution to a speaker candidate's campaign or an expenditure to aid or defeat a speaker candidate from political contributions, interest earned on political contributions, or an asset purchased with political contributions in violation of Section 302.0191.

(f) An offense under this section is a Class A misdemeanor.
SECTION 3.06. (a) Section 302.021, Government Code, as amended by this Act, applies only to an offense committed on or after September 1, 2003. For the purposes of this section, an offense is committed before September 1, 2003, if any element of the offense occurs before that date.

(b) An offense committed before September 1, 2003, is covered by the law in effect when the offense was committed, and the former law is continued in effect for that purpose.

ARTICLE 4. LOBBYING

SECTION 4.01. Section 305.002, Government Code, is amended by adding Subdivisions (12) and (13) to read as follows:

(12) "Client" means a person or entity for which the registrant is registered or is required to be registered.

(13) "Person associated with the registrant" means a partner or other person professionally associated with the registrant through a common business entity, other than a client, that reimburses, retains, or employs the registrant.

SECTION 4.02. Section 305.003, Government Code, is amended by amending Subsection (b) and adding Subsection (b-1) to read as follows:

(b) Subsection (a)(2) requires a person to register if the person, as part of his regular employment, has communicated directly with a member of the legislative or executive branch to influence legislation or administrative action on behalf of the person by whom he is compensated or reimbursed, whether or not the
person receives any compensation for the communication in addition to the salary for that regular employment.

(b-1) [However,] Subsection (a)(2) does not require a member of the judicial, legislative, or executive branch of state government or an officer or employee of a political subdivision of the state to register. This subsection does not apply to an officer or employee of a quasi-governmental agency. For purposes of this subsection, "quasi-governmental agency" means a governmental agency, other than an institution of higher education as defined by Section 61.003, Education Code, that has as one of its primary purposes engaging in an activity that is normally engaged in by a nongovernmental agency, including:

(1) acting as a trade association; or
(2) competing in the public utility business with private entities.

SECTION 4.03. Sections 305.005(a) and (c), Government Code, are amended to read as follows:

(a) Each person required to register under this chapter shall file a written registration [form] with the commission [on a form prescribed by the commission] and shall submit a registration fee.

(c) The registration fee and registration renewal fee are:

(1) $100 for a registrant employed by an organization exempt from federal income tax under Section 501(c)(3) or 501(c)(4), Internal Revenue Code of 1986, and its subsequent amendments; or
(2) $600 [$300] for any other registrant.
SECTION 4.04. Section 305.006(a), Government Code, is amended to read as follows:

(a) Each registrant shall file with the commission a written, verified report [on a form prescribed by the commission] concerning the activities described by this section.

SECTION 4.05. Subchapter A, Chapter 305, Government Code, is amended by adding Section 305.0064 to read as follows:

Sec. 305.0064. ELECTRONIC FILING OF REGISTRATIONS AND ACTIVITY REPORTS. (a) Except as provided by Subsection (b), each registration filed under Section 305.005 and each report filed under Section 305.006 must be filed by computer diskette, modem, or other means of electronic transfer, using computer software provided by the commission or computer software that meets commission specifications for a standard file format.

(b) The commission shall adopt rules under which a registrant may file paper registrations or reports on forms prescribed by the commission. The rules must be designed to ensure that:

(1) use of the electronic filing system under Subsection (a) is maximized; and

(2) registrants may file paper registrations or reports for good cause only.

(c) The commission shall implement an electronic filing system under Subsection (a) not later than December 1, 2004. The commission by rule shall identify the date on which the requirement that a registration must be made as required by Subsection (a) takes effect and the first reporting period under Section 305.007 for
which a report must be made as required by Subsection (a). This subsection expires January 1, 2005.

(d) A registration fee under Section 305.005(c)(1) or (2) for the calendar years 2004 and 2005 is increased by an amount determined by the commission as sufficient to generate additional revenue necessary to develop and implement an electronic filing system under Subsection (a). Additional revenue generated by a fee increase under this subsection may be used only to develop and implement the electronic filing system. The commission may impose a different increase for each fee under Section 305.005(c). This subsection expires January 1, 2006.

SECTION 4.06. Sections 305.028(b), (c), and (f)-(h), Government Code, are amended to read as follows:

(b) Except as permitted by Subsection (c), a registrant may not represent a client in communicating directly with a member of the legislative or executive branch to influence a legislative subject matter or an administrative action if the representation of that client:

(1) involves a substantially related matter in which that client's interests are materially and directly adverse to the interests of:

(A) another client of the registrant;

(B) an employer or concern employing the registrant; or

(C) another client of a person associated with the registrant; or

(2) reasonably appears to be [or potentially be]
adversely limited by:

(A) the registrant's, the employer's or concern's, or the \[partner's or\] other associated person's responsibilities to another client \[or to a third person\]; or

(B) the registrant's, employer's or concern's own interests, or \[partner's or\] other associated person's own business interests.

(c) A registrant may represent a client in the circumstances described in Subsection \[(a) or (b)\] if:

(1) the registrant reasonably believes the representation of each client will not be materially affected;

(2) not later than the second business day after the date the registrant becomes aware of a \[an actual or potential\] conflict described by Subsection \[(a) or (b)\], the registrant provides written notice, in the manner required by the commission, to each affected \[or potentially affected\] client; and

(3) not later than the 10th day after the date the registrant becomes aware of a \[an actual or potential\] conflict described by Subsection \[(a) or (b)\], the registrant files with the commission a statement that:

(A) indicates \[indicating\] that there is a \[an actual or potential\] conflict;

(B) states \[and\] that the registrant has notified each affected \[or potentially affected\] client as required by Subdivision (2); and

(C) states the name and address of each affected client.
In each report filed with the commission, a registrant shall, under oath, affirm that the registrant has, to the best of the registrant's knowledge, complied with this section.

The commission may receive complaints regarding a violation of this section. If the commission determines a violation of this section has occurred, the commission, after notice and hearing:

1. shall impose a civil penalty in an amount not to exceed $2,000; and
2. may rescind the person's registration and may prohibit the person from registering with the commission for a period not to exceed two years from the date of the rescission of the person's registration.

A penalty under this section is in addition to any other enforcement, criminal, or civil action that the commission or another person may take under this chapter or other law.

SECTION 4.07. Section 305.033(b), Government Code, is amended to read as follows:

(b) If a registration or report is determined to be late, the person responsible for the filing is liable to the state for payment of a civil penalty of $500 in an amount determined by commission rule, but not to exceed $100 for each day that the registration or report is late.

SECTION 4.08. Sections 305.028(a) and 305.031(c), Government Code, are repealed.

SECTION 4.09. (a) Sections 305.028 and 305.031, Government
Code, as amended by this Act, apply only to an offense committed on
or after September 1, 2003. For the purposes of this section, an
offense is committed before September 1, 2003, if any element of the
offense occurs before that date. An offense committed before
September 1, 2003, is covered by the law in effect when the offense
was committed, and the former law is continued in effect for that
purpose.

(b) Section 305.033(b), Government Code, as amended by this
Act, applies only to a civil penalty imposed for a late registration
or report under Chapter 305, Government Code, that is required to be
filed on or after September 1, 2003. A civil penalty imposed for a
late registration or report under Chapter 305, Government Code,
that is required to be filed before September 1, 2003, is governed
by the law in effect on the date the report was required to be filed,
and the former law is continued in effect for that purpose.

ARTICLE 5. PERSONAL FINANCIAL DISCLOSURE BY AND STANDARDS OF
CONDUCT FOR STATE OFFICERS AND EMPLOYEES

SECTION 5.01. Section 572.022(c), Government Code, is
amended to read as follows:

(c) The individual filing the statement shall report a
description of real property by reporting:

(1) the street address, if available, or the number of
lots or number of acres, as applicable, in each county, and the name
of the county, if the street address is not available; and

(2) the names of all persons retaining an interest in
the property, excluding an interest that is a severed mineral
interest.
SECTION 5.02. Section 572.023, Government Code, is amended by amending Subsection (b) and adding Subsections (c) and (d) to read as follows:

(b) The account of financial activity consists of:

(1) a list of all sources of occupational income, identified by employer, or if self-employed, by the nature of the occupation, including identification of a person or other organization from which the individual or a business in which the individual has a substantial interest received a fee as a retainer for a claim on future services in case of need, as distinguished from a fee for services on a matter specified at the time of contracting for or receiving the fee, if professional or occupational services are not actually performed during the reporting period equal to or in excess of the amount of the retainer, and the category of the amount of the fee;

(2) identification by name and the category of the number of shares of stock of any business entity held or acquired, and if sold, the category of the amount of net gain or loss realized from the sale;

(3) a list of all bonds, notes, and other commercial paper held or acquired, and if sold, the category of the amount of net gain or loss realized from the sale;

(4) identification of each source and the category of the amount of income in excess of $500 derived from each source from interest, dividends, royalties, and rents;

(5) identification of each guarantor of a loan and identification of each person or financial institution to whom a
personal note or notes or lease agreement for a total financial
liability in excess of $1,000 existed at any time during the year
and the category of the amount of the liability;
(6) identification by description of all beneficial
interests in real property, whether held directly or in a trust or
partnership, and business entities held or acquired, and if sold,
the category of the amount of the net gain or loss realized from the
sale;
(7) identification of a person or other organization
from which the individual or the individual's spouse or dependent
children received a gift of anything of value in excess of $250 and
a description of each gift, except:
(A) a gift received from an individual related to
the individual at any time within the second degree by
consanguinity or affinity, as determined under Subchapter B [A],
Chapter 573;
(B) a political contribution that was reported as
required by Chapter 254, Election Code [law]; and
(C) an expenditure required to be reported by a
person required to be registered under Chapter 305;
(8) identification of the source and the category of
the amount of all income received as beneficiary of a trust, other
than a blind trust that complies with Subsection (c), and
identification of each trust asset, if known to the beneficiary,
from which income was received by the beneficiary in excess of $500;
(9) identification by description and the category of
the amount of all assets and liabilities of a corporation, firm,
partnership, limited partnership, limited liability partnership, professional corporation, professional association, joint venture, or other business association in which 50 percent or more of the outstanding ownership was held, acquired, or sold;

(10) a list of all boards of directors of which the individual is a member and executive positions that the individual holds in corporations, firms, partnerships, limited partnerships, limited liability partnerships, professional corporations, professional associations, joint ventures, or other business associations or proprietorships, stating the name of each corporation, firm, partnership, limited partnership, limited liability partnership, professional corporation, professional association, joint venture, or other business association or proprietorship and the position held;

(11) identification of any person providing transportation, meals, or lodging expenses permitted under Section 36.07(b), Penal Code, and the amount of those expenses, other than expenditures required to be reported under Chapter 305; [and]

(12) any corporation, firm, partnership, limited partnership, limited liability partnership, professional corporation, professional association, joint venture, or other business association, excluding a publicly held corporation, in which both the individual [state officer] and a person registered under Chapter 305 have an interest;

(13) identification by name and the category of the number of shares of any mutual fund held or acquired, and if sold, the category of the amount of net gain or loss realized from the
sale; and

(14) identification of each blind trust that complies with Subsection (c), including:

(A) the category of the fair market value of the trust;

(B) an identification of each asset placed in the trust;

(C) the date the trust was created;

(D) the name and address of the trustee; and

(E) a statement signed by the trustee, under penalty of perjury, stating that:

(i) the trustee has not revealed any information to the individual, except information that may be disclosed under Subdivision (8); and

(ii) to the best of the trustee's knowledge, the trust complies with this section.

(c) For purposes of Subsections (b)(8) and (14), a blind trust is a trust as to which:

(1) the trustee:

(A) is a disinterested party;

(B) is not the individual or a person related to the individual within the first degree by consanguinity or affinity, as determined under Subchapter B, Chapter 573;

(C) is not a public officer or public employee; and

(D) was not appointed to public office by the individual or by a public officer or public employee the individual
supervises;

(2) the trustee has complete discretion to manage the
trust, including the power to dispose of and acquire trust assets
without consulting or notifying the individual; and

(3) the trustee is required to notify the individual
of the date of disposition and value at disposition of any original
investments or interests in real property so that information can
be reported on the individual's financial statement.

(d) If a blind trust under Subsection (c) is revoked while
the individual is subject to this subchapter, or if the individual
learns of any replacement assets of the trust, the individual must
file an amendment to the individual's most recent financial
statement, disclosing the date of revocation and the previously
unreported value by category of each asset and the income derived
from each asset. For purposes of this section, any replacement
asset of which the individual learns is treated after the date the
individual learns of the replacement as though it were an original
asset of the trust.

SECTION 5.03. Section 572.033(b), Government Code, is
amended to read as follows:

(b) If a statement is determined to be late, the individual
responsible for filing the statement is [civilly] liable to the
state for a civil penalty of $500 [an amount determined by
commission rule, but not to exceed $100 for each day that the
statement is late]. If a statement is more than 30 days late, the
commission shall issue a warning of liability by registered mail to
the individual responsible for the filing. If the penalty is not
paid before the 10th day after the date on which the warning is received, the individual is liable for a civil penalty in an amount determined by commission rule, but not to exceed $10,000.

SECTION 5.04. Section 572.051, Government Code, is amended to read as follows:

Sec. 572.051. STANDARDS OF CONDUCT. (a) A state officer or employee may [should] not:

(1) accept or solicit any gift, favor, or service that might reasonably tend to influence the officer or employee in the discharge of official duties or that the officer or employee knows or should know is being offered with the intent to influence the officer's or employee's official conduct;

(2) accept other employment or engage in a business or professional activity that the officer or employee might reasonably expect would require or induce the officer or employee to disclose confidential information acquired by reason of the official position;

(3) accept other employment or compensation that could reasonably be expected to impair the officer's or employee's independence of judgment in the performance of the officer's or employee's official duties;

(4) make personal investments that could reasonably be expected to create a substantial conflict between the officer's or employee's private interest and the public interest; [or]

(5) intentionally or knowingly solicit, accept, or agree to accept any benefit for having exercised the officer's or employee's official powers or performed the officer's or employee's
official duties in favor of another; or

(6) intentionally or knowingly solicit, accept, or agree to accept any economic benefit, other than a benefit described by Section 36.10, Penal Code, compensation, or contract from a governmental or other entity that the officer or employee knows or should know would not be offered or paid to or made with the officer or employee but for the officer's or employee's position as a state officer or employee.

(b) A member of the legislature who violates this section is subject to discipline by the house to which the member belongs, as provided by Section 11, Article III, Texas Constitution. Any other state officer who violates this section is subject to removal from office for official misconduct as provided by law. A state employee who violates this section is subject to termination of employment.

(c) Discipline, removal, or termination under Subsection (b) is in addition to any civil or criminal penalty that applies to the person's conduct.

SECTION 5.05. Section 572.052, Government Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) A member of the legislature may not, for compensation, represent another person before:

(1) a state agency in the executive branch of state government; or

(2) a state agency in the judicial branch of state government, other than a court, that:

(A) receives state funds; and
(B) conducts adjudicative proceedings that are not open to the public [unless:

(1) the representation:

(A) is made in a proceeding that is adversary in nature or in another public hearing that is a matter of record; or

(B) involves the filing of documents, contacts with the agency, or other relations, that involve only ministerial acts on the part of the commission, agency, board, department, or officer; and

(2) the member discloses to the agency that the member is being compensated for the representation].

(a-1) Subsection (a) does not apply to the representation of a person by a member of the legislature in an administrative proceeding that arises out of the same facts from which a criminal proceeding in which the member represented the person arose.

SECTION 5.06. Section 572.053, Government Code, is amended to read as follows:

Sec. 572.053. INTRODUCTION OR SPONSORSHIP OF OR VOTING [BY LEGISLATORS] ON CERTAIN MEASURES OR BILLS BY LEGISLATORS [CRIMINAL OFFENSE]. (a) A member of the legislature may not introduce, sponsor, or vote on a measure or a bill, other than a measure that will affect an entire class of business entities, if:

(1) it is reasonably foreseeable that the measure or bill will have an economic effect distinguishable from its effect on the public on a business entity or real property in which the member has a substantial interest; or

(2) a person related to the member in the second degree
by consanguinity or affinity, as determined under Subchapter B, Chapter 573, or a business entity that employs the member or a person related to the member in the second degree by consanguinity or affinity, is registered as a lobbyist under Chapter 305 with respect to the subject matter of the measure or bill.

(b) If it is reasonably foreseeable that a measure or bill will have the same effect on a business entity or real property in which a member has a substantial interest as it will have on an entire class of business entities or real property, or if the measure or bill will have an effect on a contract between a member and a governmental entity, the member shall file the notice required by Subsection (d) before introducing, sponsoring, or voting on the measure or bill.

(c) A member of the legislature has a substantial interest in real property if the interest is an equitable or legal ownership with a fair market value of $2,500 or more.

(d) A member of the house of representatives to whom Subsection (a) or (b) applies shall file a written notice of that fact with the chief clerk of the house of representatives. A senator to whom Subsection (a) or (b) applies shall file a written notice of that fact with the secretary of the senate. The member shall also file a notice with the commission. A notice filed under this subsection must:

(1) identify:

(A) the member;

(B) the measure or bill with respect to which the notice is required under this section; and
whether the member is filing the notice pursuant to Subsection (a) or (b); and

(2) be included in the journal of the house to which the member belongs.

(e) A person related to the member or an employer to whom Subsection (a)(2) applies shall file a notice with the commission identifying:

(1) the member; and

(2) the measure or bill with respect to which notice is required under this section.

(f) A member of the legislature required by Subsection (b) to file a notice regarding a contract between the member and a governmental entity may satisfy the notice requirement by either:

(1) filing a notice under Subsection (d) for each measure and bill, specifying the governmental agency with which the member has a contract; or

(2) filing a list, in the manner provided by Subsection (d), at the beginning of each legislative session of each contract between the member and a governmental entity and, during the legislative session, filing an amended list not later than the 10th day after the date the member enters into a new contract with a governmental entity.

(g) A member of the legislature who violates this section is subject to discipline by the house to which the member belongs, as provided by Section 11, Article III, Texas Constitution, that will directly benefit a specific business transaction of a business entity in which the member has a controlling interest.
[(b) In this section, "controlling interest" includes:

[(1)] an ownership interest or participating interest by virtue of shares, stock, or otherwise that exceeds 10 percent;

[(2)] membership on the board of directors or other governing body of the business entity; or

[(3)] service as an officer of the business entity.]

[(c) A member of the legislature commits an offense if the member violates this section. An offense under this subsection is a Class A misdemeanor.]

SECTION 5.07. Article 26.06, Code of Criminal Procedure, is amended to read as follows:

Art. 26.06. ELECTED OFFICIALS NOT TO BE APPOINTED. No court may appoint an elected county, district or state official to represent a person accused of crime, unless the official has notified the court of his availability for appointment. If an official has notified the court of his availability and is appointed as counsel, he may decline the appointment if he determines that it is in the best interest of his office to do so. [Nothing in this Code shall modify any statutory provision for legislative continuance.]

SECTION 5.08. The following are repealed:

(1) Section 30.003, Civil Practice and Remedies Code;

(2) Section 84.005, Family Code; and

(3) Section 1205.069, Government Code.

SECTION 5.09. (a) Notwithstanding Section 22.004, Government Code, the supreme court may not amend or adopt a rule requiring a court to grant a continuance because an attorney in a
civil action is a member of the legislature and shall, not later than September 15, 2003, repeal any such existing rule.

(b) Section 572.052, Government Code, as amended by this Act, applies only to representation before a state agency in regard to a matter as to which a member of the legislature is hired on or after September 1, 2003. Representation in regard to a matter as to which a member of the legislature was hired before September 1, 2003, and the reporting of that representation are governed by the law in effect at the time the member was hired, and that law is continued in effect for that purpose.

(c) Sections 572.022 and 572.023, Government Code, as amended by this Act, apply only to a financial statement required to be filed under Subchapter B, Chapter 572, Government Code, on or after January 1, 2004. A financial statement required to be filed under Subchapter B, Chapter 572, Government Code, before January 1, 2004, is governed by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

(d) Section 572.033(b), Government Code, as amended by this Act, applies only to a civil penalty imposed for a late report under Subchapter B, Chapter 572, Government Code, that is required to be filed on or after September 1, 2003. A civil penalty imposed for a late report under Subchapter B, Chapter 572, Government Code, that is required to be filed before September 1, 2003, is governed by the law in effect on the date the report was required to be filed, and the former law is continued in effect for that purpose.

(e) Section 572.053, Government Code, as amended by this
Act, applies only to a vote on a bill or measure cast by a member of
the legislature on or after September 1, 2003. A vote on a bill or
measure cast by a member of the legislature before September 1,
2003, is governed by the law in effect on the date the vote was cast,
and the former law is continued in effect for that purpose.

ARTICLE 6. PERSONAL FINANCIAL DISCLOSURE BY
COUNTY AND MUNICIPAL OFFICERS

SECTION 6.01. Subtitle A, Title 5, Local Government Code,
is amended by adding Chapter 145 to read as follows:

CHAPTER 145. FINANCIAL DISCLOSURE BY
MUNICIPAL OFFICERS

Sec. 145.001. APPLICABILITY OF CHAPTER. This chapter
applies only to a municipality with a population of 200,000 or more.

Sec. 145.002. DEFINITION. In this chapter, "municipal
officer" means the mayor, a member of the governing body, the
municipal attorney, or the city manager of a municipality.

Sec. 145.003. FINANCIAL STATEMENT REQUIRED. (a) A
municipal officer or a candidate for a municipal office filled by
election shall file a financial statement as required by this
chapter.

(b) The statement must:

(1) be filed with the clerk or secretary of the
municipality in which the officer or candidate resides; and

(2) comply with Sections 572.022 and 572.023,
Government Code.

Sec. 145.004. FILING DATES; TIMELINESS OF FILING. (a) A
municipal officer shall file the financial statement required by
this chapter within the time prescribed by Section 572.026(a), Government Code.

(b) A person who is appointed to a municipal office shall file the financial statement required by this chapter within the time prescribed by Section 572.026(c), Government Code.

(c) A candidate for a municipal office filled by election shall file the financial statement required by this chapter not later than the earlier of:

(1) the 20th day after the deadline for filing an application for a place on the ballot in the election; or

(2) the fifth day before the date of the election.

(d) The timeliness of the filing is governed by Section 572.029, Government Code.

(e) A municipal officer or a person who is appointed to a municipal office may request the clerk or secretary of the municipality to grant an extension of not more than 60 days for filing the statement. The clerk or secretary shall grant the request if it is received before the filing deadline or if the officer's physical or mental incapacity prevents the officer from filing the statement or requesting an extension before the filing deadline. The clerk or secretary may not grant more than one extension to a person in one year except for good cause shown.

(f) The clerk or secretary may not grant an extension to a candidate for a municipal office filled by election.
be used for filing the financial statement.

(b) The clerk or secretary shall mail two copies of the form to each municipal officer or person who is appointed to a municipal office who is required to file under this chapter within the time prescribed by Section 572.030(c)(1), Government Code. The clerk or secretary shall mail a copy of the form to each candidate for a municipal office filled by election who is required to file under this chapter not later than the 10th day before the deadline for filing the statement under Section 145.004(c).

Sec. 145.006. DUPLICATE OR SUPPLEMENTAL STATEMENTS. If a person has filed a financial statement under one provision of this chapter covering the preceding calendar year, the person is not required to file a financial statement required under another provision of this chapter covering that same year if, before the deadline for filing the statement under the other provision, the person notifies the clerk or secretary of the municipality in writing that the person has already filed a financial statement under this chapter covering that year.

Sec. 145.007. PUBLIC ACCESS TO STATEMENTS. (a) Financial statements filed under this chapter are public records. The clerk or secretary of the municipality shall maintain the statements in separate alphabetical files and in a manner that is accessible to the public during regular office hours.

(b) Until the first anniversary of the date a financial statement is filed, each time a person, other than the clerk or secretary of the municipality or an employee of the clerk or secretary who is acting on official business, requests to see the
financial statement, the clerk or secretary shall place in the file a statement of the person's name and address, whom the person represents, and the date of the request. The clerk or secretary shall retain that statement in the file until the first anniversary of the date the requested financial statement is filed.

(c) The clerk or secretary of the municipality may, and on notification from a former officer or candidate shall, destroy any financial statements filed by the officer or candidate after the second anniversary of the date the person ceases to be an officer or candidate, as applicable.

Sec. 145.008. NOTIFICATION TO PROSECUTING ATTORNEY. The clerk or secretary of each municipality shall maintain a list of the municipal officers and candidates for municipal office required to file a financial statement under this chapter. Not later than the 10th day after each applicable filing deadline, the municipal clerk shall provide to the municipal attorney a copy of the list showing for each municipal officer and candidate for municipal office:

(1) whether the officer or candidate timely filed a financial statement as required by this chapter;

(2) whether the officer or candidate timely requested and was granted an extension of time to file as provided for by Section 145.004 and the new due date for each such officer or candidate; or

(3) whether the officer or candidate did not timely file a financial statement or receive an extension of time.

Sec. 145.009. CRIMINAL PENALTY. (a) A municipal officer or a candidate for a municipal office filled by election commits an
offense if the officer or candidate knowingly fails to file a financial statement as required by this chapter.

(b) An offense under this section is a Class B misdemeanor.

(c) It is a defense to prosecution under this section that the officer or candidate did not receive copies of the financial statement form required to be mailed to the officer or candidate by this chapter.

Sec. 145.010. CIVIL PENALTY. (a) A person who determines that a person required to file a financial statement under this chapter has failed to do so may notify in writing the municipal attorney of the municipality.

(b) On receipt of a written notice under Subsection (a), the municipal attorney shall determine from any available evidence whether the person to whom the notice relates has failed to file a statement. On making that determination, the municipal attorney shall immediately mail by certified mail a notice of the determination to the person responsible for filing the statement.

(c) If the person responsible for filing the statement fails to file the statement before the 30th day after the date the person receives the notice under Subsection (b), the person is civilly liable to the municipality for an amount not to exceed $1,000.

(d) A penalty paid under this section shall be deposited to the credit of the general fund of the municipality.

SECTION 6.02. Subchapter A, Chapter 159, Local Government Code, is amended by adding Section 159.0071 to read as follows:

Sec. 159.0071. NOTIFICATION TO PROSECUTING ATTORNEY. The county clerk of each county shall maintain a list of the county
officers and candidates for county office required to file a financial statement under this subchapter. Not later than the 10th day after each applicable filing deadline, the county clerk shall provide to the county attorney or criminal district attorney a copy of the list showing for each county officer and candidate for county office:

(1) whether the officer or candidate timely filed a financial statement as required by this subchapter;

(2) whether the officer or candidate timely requested and was granted an extension of time to file as provided for by Section 159.004 and the new due date for each such officer or candidate; or

(3) whether the officer or candidate did not timely file a financial statement or receive an extension of time.

SECTION 6.03. Chapter 145, Local Government Code, as added by this Act, applies beginning January 1, 2004. A municipal officer or candidate for municipal office is not required to include financial activity occurring before January 1, 2003, in a financial disclosure statement under Chapter 145, Local Government Code, as added by this Act.

ARTICLE 7. EFFECTIVE DATE

SECTION 7.01. This Act takes effect September 1, 2003.