

BILL ANALYSIS

C.S.H.B. 1800
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Elections
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Previous to the passage of House Bill 1606 (78R), individuals required to file reports with the Texas Ethics Commission (Commission) could correct reports, which met certain standards, without penalty. Currently, however, corrected reports are considered to be late if the report does not substantially comply with the law. Commission rule defines substantial compliance as reports which contain errors which are minor in context. Commission staff is currently directed to refer each corrected report to the full commission to determine if the error is, in fact, minor, and the commission must consider each corrected report individually. Because of this practice, individuals who file corrected reports are assessed a fine, which sometimes is only waived if the individual appears before the commission to demonstrate that the original report contained only minor errors. By providing a clearer definition of substantial compliance in the law, the staff of the commission would be able to determine whether a corrected report is late without first assessing a fine and requiring the filer to appear before the full commission. Likewise, current law does not provide a procedure for lobbyists, who must file monthly reports of their activities, to self-correct their reports without being penalized for late filing. CSHB 1800 modifies the provisions relating to corrected reports, registrations, and statements filed with the Texas Ethics Commission, to better define substantial compliance for all who file with the Commission and to allow self-correction of lobbyist registrations and reports.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

CSHB 1800 amends the Government Code by clarifying when reports filed with the Texas Ethics Commission substantially comply with the applicable laws. The bill provides that the following errors in a report do not constitute a failure to substantially comply:

- obvious typographical error;
- omission of information required for administrative purposes;
- incorrectly or unreported contributions or expenditures, if the total of these does not exceed the lesser of 10% of the total contributions or expenditures reported on the corrected report or \$10,000;
- incorrectly or unreported contributions or expenditures, if the total of these does not exceed \$2,000;
- an error in the amount of cash-on-hand reported if the correct amount does not vary by more than 10% from the amount originally reported and does not exceed \$10,000;
- an error in the amount of cash-on-hand reported if the amount originally reported does not exceed \$2,000; or
- a reporting error that the commission determines is, in context, minor.

The bill provides that a registration or report filed by a registered lobbyist is not considered to be late if the lobbyist files a corrected or amended registration or report not later than the 41st day after the date the lobbyist becomes aware of the error or omission in the original filing.

EFFECTIVE DATE

September 1, 2005.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute modifies the original by adding the language providing that a registration or report filed by a lobbyist is not considered to be late if a corrected or amended report is filed within 41 days of the date that the registrant becomes aware of the error or omission in the original registration or report. The substitute clarifies language in the original relating to when errors in incorrectly or unreported contributions or expenditures, as well as to when errors in reported cash-on-hand, substantially comply with the law.