

By: Wong

H.B. No. 113

A BILL TO BE ENTITLED

AN ACT

1
2 relating to reporting of personal financial information by officers
3 of certain school districts, junior college districts, and certain
4 municipal retirement systems and reporting of expenditures to
5 influence administrative action by certain school districts,
6 junior college districts, and certain municipal retirement
7 systems; providing civil and criminal penalties.

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

9 SECTION 1. Section 11.064, Education Code, as added by
10 Chapter 249, Acts of the 78th Legislature, Regular Session, 2003,
11 is redesignated as Subchapter C-1, Chapter 11, Education Code, and
12 amended to read as follows:

13 SUBCHAPTER C-1. FILING OF FINANCIAL STATEMENT BY TRUSTEES

14 Sec. 11.101. [~~11.064. FILING OF~~] FINANCIAL STATEMENT
15 REQUIRED IN DISTRICTS WITH ENROLLMENT OF AT LEAST 50,000 STUDENTS.

16 A trustee of an independent school district with an enrollment of at
17 least 50,000 students shall [~~BY TRUSTEE. (a) The board of~~
18 ~~trustees of an independent school district by resolution adopted by~~
19 ~~majority vote may require each member of the board to~~] file the
20 financial statement required of state officers under Subchapter B,
21 Chapter 572, Government Code, with:

22 (1) the board of trustees of the district; and

23 (2) the Texas Ethics Commission.

24 Sec. 11.102. FINANCIAL STATEMENT REQUIRED ON ORDER OF

1 COMMISSIONER. (a) [~~(a-1)~~ Not later than the 15th day after the
2 date a board of trustees adopts a resolution under Subsection (a),
3 the board shall deliver a certified copy of the resolution to the
4 Texas Ethics Commission.

5 [~~(a-2)~~ A resolution adopted under Subsection (a) applies
6 beginning on January 1 of the second year following the year in
7 which the resolution is adopted. A member of a board of trustees
8 that has adopted a resolution under Subsection (a) is not required
9 to include, in a financial disclosure statement under this section,
10 financial activity occurring before January 1 of the year following
11 the year in which the resolution is adopted.

12 [~~(a-3)~~] The commissioner by order shall require the members
13 of the board of trustees of an independent school district, other
14 than a district to which Section 11.101 applies, to file the
15 financial statement required of state officers under Subchapter B,
16 Chapter 572, Government Code, [~~in the same manner as the members of~~
17 ~~a board of trustees that have adopted a resolution under Subsection~~
18 ~~(a)~~] if the commissioner determines that:

19 (1) a board member has failed to comply with filing and
20 recusal requirements applicable to the member under Chapter 171,
21 Local Government Code;

22 (2) the district financial accounting practices are
23 not adequate to safeguard state and district funds; or

24 (3) the district has not met a standard set by the
25 commissioner in the financial accountability rating system under
26 Subchapter I, Chapter 39.

27 (b) [~~(a-4)~~] The commissioner may require filing financial

1 statements under Subsection (a) [~~(a-3)~~] covering not more than
2 three fiscal years and beginning on January 1 of the second year
3 following the date of the commissioner's order. A member of a board
4 of trustees subject to an order issued under Subsection (a) [~~(a-3)~~]
5 is not required to include, in a financial disclosure statement
6 subject to this section, financial activity occurring before
7 January 1 of the year following the year in which the order is
8 issued.

9 (c) The commissioner may renew the requirement to file a
10 financial statement if the commissioner determines that a condition
11 described by Subsection (a) [~~(c)~~] continues to exist.

12 Sec. 11.103. APPLICABILITY OF GOVERNMENT CODE.

13 [~~(b)~~] Subchapter B, Chapter 572, Government Code:

14 (1) applies to a trustee subject to this subchapter
15 [~~section~~] as if the trustee were a state officer; and

16 (2) governs the contents, timeliness of filing, and
17 public inspection of a statement filed under this subchapter
18 [~~section~~].

19 Sec. 11.104. OFFENSE. (a) [~~(c)~~] A trustee serving in a
20 school district to which Section 11.101 applies [~~that has adopted a~~
21 ~~resolution under Subsection (a)~~] or that is subject to an order
22 issued under Section 11.102 [~~Subsection (a-3)~~] commits an offense
23 if the trustee fails to file the statement required by Section
24 11.101 or 11.102, as applicable [~~the resolution or order~~].

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

26 SECTION 2. Subchapter E, Chapter 11, Education Code, is
27 amended by adding Section 11.2011 to read as follows:

1 Sec. 11.2011. FILING OF FINANCIAL STATEMENT BY
2 SUPERINTENDENT. (a) The superintendent of an independent school
3 district with an enrollment of at least 50,000 students shall file
4 the financial statement required of state officers under Subchapter
5 B, Chapter 572, Government Code, with:

6 (1) the board of trustees of the district; and

7 (2) the Texas Ethics Commission.

8 (b) Subchapter B, Chapter 572, Government Code:

9 (1) applies to a superintendent subject to this
10 section as if the superintendent were a state officer; and

11 (2) governs the contents, timeliness of filing, and
12 public inspection of a statement filed under this section.

13 (c) A superintendent subject to this section commits an
14 offense if the superintendent fails to file the statement required
15 by this section. An offense under this section is a Class B
16 misdemeanor.

17 SECTION 3. Chapter 11, Education Code, is amended by adding
18 Subchapter I to read as follows:

19 SUBCHAPTER I. REPORTING BY PERSONS SEEKING

20 TO INFLUENCE SCHOOL DISTRICT ADMINISTRATIVE ACTION

21 Sec. 11.401. DEFINITIONS. In this subchapter:

22 (1) "Administrative action" means any matter that may
23 be the subject of action by the board of trustees or an officer or
24 employee of a school district.

25 (2) "Commission" means the Texas Ethics Commission.

26 (3) "Communicates directly with" or any variation of
27 the phrase means contact in person or by telephone, telegraph,

1 letter, facsimile, electronic mail, or other electronic means of
2 communication.

3 (4) "Compensation" means money, service, facility, or
4 other thing of value or financial benefit that is received or is to
5 be received in return for or in connection with services rendered or
6 to be rendered.

7 (5) "Expenditure" means a payment, distribution,
8 loan, advance, reimbursement, deposit, or gift of money or any
9 thing of value and includes a contract, promise, or agreement,
10 whether or not legally enforceable, to make an expenditure.

11 (6) "Immediate family" means a spouse or dependent
12 child.

13 (7) "Large school district" means a school district
14 with an enrollment of at least 50,000 students.

15 (8) "Registrant" means a person required to register
16 under Section 11.402.

17 Sec. 11.402. PERSONS REQUIRED TO REGISTER. (a) A person
18 must register with the commission if the person:

19 (1) makes a total expenditure of an amount determined
20 by commission rule but not less than \$200 in a calendar quarter, not
21 including the person's own travel, food, or lodging expenses or the
22 person's own membership dues, on activities described in Section
23 11.405(b) to communicate directly with one or more officers or
24 employees of one or more large school districts to influence
25 administrative action; or

26 (2) receives compensation or reimbursement, not
27 including reimbursement for the person's own travel, food, or

1 lodging expenses or the person's own membership dues, of more than
2 an amount determined by commission rule but not less than \$200 in a
3 calendar quarter from another person to communicate directly with
4 an officer or employee of a large school district to influence
5 administrative action.

6 (b) Subsection (a)(2) requires a person to register if the
7 person, as part of the person's regular employment, has
8 communicated directly with a school district officer or employee to
9 influence administrative action on behalf of another person by whom
10 the person is compensated or reimbursed, whether or not the person
11 receives any compensation for the communication in addition to the
12 salary for that regular employment.

13 (c) Subsection (a)(2) does not require a member of the
14 judicial, legislative, or executive branch of state government or
15 an officer or employee of a political subdivision of the state to
16 register.

17 (d) A person who communicates directly with an officer or
18 employee of a school district is not required to register under
19 Subsection (a)(2) if the person is an attorney of record or pro se,
20 the person enters the person's appearance in a public record
21 through pleadings or other written documents in an adversarial
22 proceeding pending before the board of trustees of the school
23 district, and that communication is the only activity that would
24 otherwise require the person to register. In this subsection,
25 "adversarial proceeding" includes:

26 (1) a proceeding related to the discharge, suspension,
27 or nonrenewal of the contract of a teacher under Chapter 21; and

1 (2) a student disciplinary matter under Subchapter A,
2 Chapter 37.

3 Sec. 11.403. EXCEPTIONS. The following persons are not
4 required to register under this subchapter:

5 (1) a person who owns, publishes, or is employed by a
6 newspaper, any other regularly published periodical, a radio
7 station, a television station, a wire service, or any other bona
8 fide news medium that in the ordinary course of business
9 disseminates news, letters to the editors, editorial or other
10 comment, or paid advertisements that directly or indirectly oppose
11 or promote administrative action, if the person does not engage in
12 further or other activities that require registration under this
13 subchapter and does not represent another person in connection with
14 influencing administrative action;

15 (2) a person whose only direct communication with a
16 school district officer or employee to influence administrative
17 action is an appearance before or testimony to one or more school
18 district officers or employees in a hearing conducted by or on
19 behalf of a school district and who does not receive special or
20 extra compensation for the appearance other than actual expenses
21 incurred in attending the hearing;

22 (3) a person whose only activity is to encourage or
23 solicit members, employees, or stockholders of an entity by whom
24 the person is reimbursed, employed, or retained to communicate
25 directly with school district officers or employees to influence
26 administrative action; and

27 (4) a person whose only activity to influence

1 administrative action is to compensate or reimburse an individual
2 registrant to act in the person's behalf to communicate directly
3 with a school district officer or employee to influence
4 administrative action.

5 Sec. 11.404. REGISTRATION. (a) Each person required to
6 register under this subchapter shall file a written registration
7 with the commission and shall submit a registration fee.

8 (b) A registration filed under this subchapter expires
9 December 31 of each year unless the registrant submits a
10 registration renewal form to the commission on a form prescribed by
11 the commission and submits the registration renewal fee. The
12 registrant may file the registration renewal form and the fee
13 anytime in December of the year in which the registration expires.

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

15 (1) \$100 for a registrant employed by an organization
16 exempt from federal income tax under Section 501(c)(3) or
17 501(c)(4), Internal Revenue Code of 1986; or

18 (2) \$300 for any other registrant.

19 (d) A person required to register under this subchapter who
20 has not registered or whose registration has expired shall file the
21 registration form and submit the registration fee not later than
22 the fifth day after the date on which the person or the person's
23 employee makes the first direct communication with a school
24 district officer or employee that requires the person's
25 registration.

26 (e) The registration must be verified and must contain:

27 (1) the registrant's full name and address;

1 (2) the registrant's normal business name, business
2 phone number, and business address;

3 (3) the full name and address of each person:

4 (A) who reimburses, retains, or employs the
5 registrant to communicate directly with an officer or employee of a
6 large school district to influence administrative action; and

7 (B) on whose behalf the registrant has
8 communicated directly with an officer or employee of a large school
9 district to influence administrative action;

10 (4) a general description of the administrative action
11 that is the subject of the registrant's direct communication with
12 an officer or employee of a large school district;

13 (5) for each person employed or retained by the
14 registrant for the purpose of assisting in direct communication
15 with an officer or employee of a large school district to influence
16 administrative action:

17 (A) the full name, business address, and
18 occupation of the person; and

19 (B) a general description of the administrative
20 action to which the person's activities reportable under this
21 subchapter are related; and

22 (6) the amount of compensation or reimbursement paid
23 by each person who reimburses, retains, or employs the registrant
24 for the purpose of communicating directly with an officer or
25 employee of a large school district or on whose behalf the
26 registrant communicates directly with an officer or employee of a
27 large school district.

1 (f) Compensation or reimbursement required to be reported
2 under Subsection (e)(6) shall be reported in the following
3 categories unless reported as an exact amount:

4 (1) \$0 if no compensation or reimbursement is
5 received;

6 (2) less than \$10,000;

7 (3) at least \$10,000 but less than \$25,000;

8 (4) at least \$25,000 but less than \$50,000;

9 (5) at least \$50,000 but less than \$100,000;

10 (6) at least \$100,000 but less than \$150,000;

11 (7) at least \$150,000 but less than \$200,000; and

12 (8) \$200,000 or more.

13 (g) If a registrant's activities are done on behalf of the
14 members of a group or organization, including a business, trade, or
15 consumer interest association but excluding a corporation, the
16 registration form must include:

17 (1) a statement of the number of members in the group
18 or organization;

19 (2) the name of each person in the group or
20 organization who determines the policy of the group or organization
21 relating to influencing administrative action;

22 (3) a full description of the methods by which the
23 registrant develops and makes decisions about positions on policy;
24 and

25 (4) a list of those persons making a grant or
26 contribution, in addition to or instead of dues or fees, that
27 exceeds \$250 per year.

1 (h) If a registrant's activities are done on behalf of a
2 corporation the shares of which are not publicly traded, the
3 registration form must include:

4 (1) the number of shareholders in the corporation;

5 (2) the name and address of each officer or member of
6 the board of directors; and

7 (3) the name of each person owning 10 percent or more
8 shares of the corporation.

9 (i) If there is a change in the information required to be
10 reported by a registrant under this section, other than Subsection
11 (g) or (h), and that changed information is not timely reported on a
12 report due under Section 11.409, the registrant shall file an
13 amended statement reflecting the change with the commission not
14 later than the date on which the next report is due under Section
15 11.409.

16 Sec. 11.405. ACTIVITIES REPORT. (a) Each registrant
17 shall file with the commission a written, verified report
18 concerning the activities described by this section.

19 (b) The report must contain the total expenditures under a
20 category listed in this subsection that the registrant made to
21 communicate directly with an officer or employee of a large school
22 district to influence administrative action and that are directly
23 attributable to an officer or employee of a large school district or
24 the immediate family of an officer or employee of a large school
25 district. The report must also include expenditures for the direct
26 communications under a category listed in this subsection that
27 other people made on the registrant's behalf if the expenditures

1 were made with the registrant's consent or were ratified by the
2 registrant. The expenditures must be reported in the following
3 categories:

4 (1) transportation and lodging;

5 (2) food and beverages;

6 (3) entertainment;

7 (4) gifts, other than awards and mementos;

8 (5) awards and mementos; and

9 (6) expenditures made for the attendance of officers
10 or employees of large school districts at political fund-raisers or
11 charity events.

12 (c) The report must also list the total expenditures made by
13 the registrant or by others on the registrant's behalf and with the
14 registrant's consent or ratification for broadcast or print
15 advertisements, direct mailings, and other mass media
16 communications if:

17 (1) the communications are made to a person other than
18 a member, employee, or stockholder of an entity that reimburses,
19 retains, or employs the registrant; and

20 (2) the communications support or oppose or encourage
21 another to support or oppose pending administrative action.

22 (d) The report must also contain a list of the specific
23 categories of administrative actions about which the registrant,
24 any person the registrant retains or employs to appear on the
25 registrant's behalf, or any other person appearing on the
26 registrant's behalf communicated directly with an officer or
27 employee of a large school district and that has not been reported

1 under Section 11.404(e)(5).

2 (e) A registrant who reports an expenditure under one
3 category provided by Subsection (b) may not report the same
4 expenditure under another category of Subsection (b).

5 (f) For purposes of Subsection (b), an expenditure is
6 directly attributable to the person who consumed the food or
7 beverage, to the person for whom admission, transportation, or
8 lodging expenses were paid, or to the person to whom the gift,
9 award, or memento was given.

10 Sec. 11.406. DETAILED REPORTS. (a) If a registrant or a
11 person on the registrant's behalf and with the registrant's consent
12 or ratification makes expenditures that exceed 60 percent of the
13 amount of the legislative per diem in a day for transportation or
14 lodging for an officer or employee of a large school district, the
15 registrant shall also state the following on the report filed under
16 Section 11.405:

17 (1) the name of the officer or employee on whose behalf
18 the expenditure is made;

19 (2) the place and date of the transportation or
20 lodging; and

21 (3) the purpose of the transportation or lodging.

22 (b) If a registrant or a person on the registrant's behalf
23 and with the registrant's consent or ratification makes
24 expenditures that exceed 60 percent of the amount of the
25 legislative per diem in a day for food and beverages for an officer
26 or employee of a large school district or makes expenditures that
27 exceed 60 percent of the amount of the legislative per diem in a day

1 for entertainment for an officer or employee of a large school
2 district or for the immediate family of an officer or employee of a
3 large school district, the registrant shall also state the
4 following on the report filed under Section 11.405:

5 (1) the name of the officer or employee on whose behalf
6 the expenditure is made;

7 (2) the place and date of the expenditure; and

8 (3) the amount of the expenditure by the appropriate
9 category of the amount, as determined by the commission.

10 (c) If a registrant or a person on the registrant's behalf
11 and with the registrant's consent or ratification gives to an
12 officer or employee of a large school district a gift or an award or
13 memento, the value of which exceeds \$50 per gift, award, or memento,
14 the registrant shall also state the following on the report filed
15 under Section 11.405:

16 (1) the name of the officer or employee on whose behalf
17 the expenditure is made;

18 (2) a general description of the gift, award, or
19 memento; and

20 (3) the amount of the expenditure by the appropriate
21 category of the amount, as determined by the commission.

22 (d) If a registrant or a person on the registrant's behalf
23 and with the registrant's consent or ratification makes
24 expenditures for the attendance of an officer or employee of a large
25 school district at a political fund-raiser or charity event, the
26 registrant shall also state the following on the report filed under
27 Section 11.405:

1 (1) the name of the officer or employee on whose behalf
2 the expenditure is made;

3 (2) the name of the charity or the name of the
4 candidate or officeholder for whom the political fund-raiser was
5 held, as applicable; and

6 (3) the date of the fund-raiser or event.

7 (e) If a registrant or a person on the registrant's behalf
8 and with the registrant's consent or ratification makes an
9 expenditure for a gift, award, or memento for an officer or employee
10 of a large school district in conjunction with an expenditure for
11 the attendance of that person at a political fund-raiser or charity
12 event, the registrant shall report the expenditure for the gift,
13 award, or memento under Subsection (c), if required, and not under
14 Subsection (d).

15 (f) If a registrant or a person on the registrant's behalf
16 and with the registrant's consent or ratification makes an
17 expenditure described by Section 11.405(b)(1), (2), or (3) to
18 communicate directly with more than one officer or employee of a
19 large school district to influence administrative action and if the
20 registrant cannot reasonably determine the amount that is directly
21 attributable to an officer or employee, the registrant shall
22 apportion the expenditure made by that registrant according to the
23 number of persons in attendance. The registrant shall report as
24 required by Subsection (a), (b), or (c) if the expenditure for each
25 person exceeds the amount provided under Subsection (a), (b), or
26 (c).

27 (g) In this section, "legislative per diem" means the per

1 diem set by the commission for members of the legislature as
2 provided by Section 24(a), Article III, Texas Constitution.

3 Sec. 11.407. MODIFIED REPORTING. (a) A person required
4 to register under this subchapter may, when filing the registration
5 form or registration renewal form, elect to file an activities
6 report under this section instead of Section 11.405 if the person
7 does not intend to make expenditures reportable under Section
8 11.405(b) of more than \$1,000 during a calendar year, not including
9 the person's own travel, food, or lodging expenses or the person's
10 own membership dues.

11 (b) To be entitled to file reports under this section, the
12 registrant must file with the registration form or registration
13 renewal form a written declaration of intent not to exceed \$1,000 in
14 expenditures during each calendar year in which that registration
15 or registration renewal is effective.

16 (c) A registrant filing under this section shall annually
17 file the report required by Section 11.405. The report must be filed
18 not later than January 10 and must cover the activities occurring
19 during the previous calendar year.

20 (d) A registrant who exceeds \$1,000 in expenditures shall
21 file monthly reports as required by Section 11.409. The first
22 report filed after exceeding \$1,000 covers the period beginning
23 January 1 through the date on which the next reporting period ends.

24 Sec. 11.408. ELECTRONIC FILING OF REGISTRATIONS AND
25 ACTIVITY REPORTS. (a) Except as provided by Subsection (b), each
26 registration filed under Section 11.404 and each report filed under
27 Section 11.405 must be filed by computer diskette, modem, or other

1 means of electronic transfer, using computer software provided by
2 the commission or computer software that meets commission
3 specifications for a standard file format.

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

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

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

12 (c) A registration fee under Section 11.404(c)(1) or (2) for
13 the calendar years 2006 and 2007 is increased by an amount
14 determined by the commission as sufficient to generate additional
15 revenue necessary to develop and implement an electronic filing
16 system under Subsection (a). Additional revenue generated by a fee
17 increase under this subsection may be used only to develop and
18 implement the electronic filing system under Subsection (a). The
19 commission may impose a different increase for each fee under
20 Section 11.404(c). This subsection expires January 1, 2008.

21 Sec. 11.409. REPORT FILING DATES. (a) Each registrant
22 must file a report required by Section 11.405 between the 1st and
23 10th day of each month. The report must cover the activities
24 occurring during the preceding month.

25 (b) A person who made expenditures on the registrant's
26 behalf that are required to be reported under Section 11.405 or a
27 person who has other information that is required to be reported by

1 the registrant under this subchapter shall provide a full, verified
2 account of the expenditures to the registrant not later than the
3 seventh day before the date on which the registrant's report is due.

4 Sec. 11.410. TERMINATION NOTICE. (a) A person who ceases
5 to engage in activities requiring registration under this
6 subchapter shall file a written, verified statement with the
7 commission acknowledging the termination of activities. The notice
8 is effective immediately.

9 (b) A person who files a notice of termination under this
10 section must file the reports required by Section 11.405 for any
11 reporting period during which the person was registered.

12 Sec. 11.411. MAINTENANCE OF REPORTS. (a) All reports
13 filed under this subchapter are public records and shall be made
14 available for public inspection during regular business hours.

15 (b) The commission shall:

16 (1) maintain registrations and reports in a separate,
17 alphabetical file;

18 (2) remove registrations and reports from the files
19 after five years from the date of filing; and

20 (3) maintain a deputy available to receive
21 registrations and reports and make the registrations and reports
22 available to the public for inspection.

23 (c) The commission shall retain a report filed under this
24 subchapter for at least four years after the date the report is
25 filed.

26 (d) A registrant shall keep any records necessary to the
27 reports required under this subchapter for at least four years

1 after the date the report is filed.

2 Sec. 11.412. TIMELINESS OF FILING REGISTRATIONS AND
3 REPORTS. A registration or report filed by first-class United
4 States mail or by common or contract carrier is timely if:

5 (1) it is properly addressed with postage or handling
6 charges prepaid; and

7 (2) it bears a post office cancellation mark or a
8 receipt mark from a common or contract carrier indicating a time
9 within the applicable filing period or before the applicable filing
10 deadline or if the person required to file furnishes satisfactory
11 proof that it was deposited in the mail or with a common or contract
12 carrier within that period or before that deadline.

13 Sec. 11.413. CRIMINAL PENALTY FOR FAILURE TO REGISTER OR
14 REPORT. (a) A person who is required to register under Section
15 11.404 commits an offense if the person knowingly fails to register
16 as required by that section.

17 (b) A person who is required by this subchapter to file a
18 report commits an offense if the person:

19 (1) knowingly fails to file the report on time; or

20 (2) knowingly fails to include in the report
21 information that is required to be included under this subchapter.

22 (c) An offense under this section is a Class A misdemeanor.

23 Sec. 11.414. CIVIL PENALTY FOR FAILURE TO REGISTER OR
24 REPORT. In addition to the criminal penalties prescribed by
25 Section 11.413, a person who receives compensation or reimbursement
26 or makes an expenditure for engaging in direct communication to
27 influence administrative action and who fails to file a

1 registration form or activities report required to be filed under
2 this subchapter shall pay a civil penalty in an amount determined by
3 commission rule, but not to exceed an amount equal to three times
4 the compensation, reimbursement, or expenditure.

5 Sec. 11.415. CIVIL PENALTY FOR LATE FILING. (a) The
6 commission shall determine from any available evidence whether a
7 registration or report required to be filed with the commission
8 under this subchapter is late. A registration filed without the fee
9 required by Section 11.404 is considered to be late. On making a
10 determination that a required registration or report is late, the
11 commission shall immediately mail a notice of the determination to
12 the person responsible for the filing and to the appropriate
13 attorney for the state.

14 (b) If a registration or report is determined to be late,
15 the person responsible for the filing is liable to the state for
16 payment of a civil penalty of \$500.

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

23 (d) This section is in addition to any other available
24 sanctions for late filings of registrations or reports.

25 Sec. 11.416. FALSE COMMUNICATIONS. (a) A person, for the
26 purpose of influencing administrative action, may not:

27 (1) knowingly make a false statement or

1 misrepresentation of the facts to an officer or employee of a large
2 school district; or

3 (2) cause a copy of a document the person knows to
4 contain a false statement to be received by an officer or employee
5 of a large school district without notifying the officer or
6 employee in writing of the truth.

7 (b) A person who violates this section commits an offense.
8 An offense under this section is a Class A misdemeanor.

9 Sec. 11.417. RESTRICTIONS ON EXPENDITURES. (a) Except as
10 provided by Section 11.418, a person registered under Section
11 11.404 or a person on the registrant's behalf and with the
12 registrant's consent or ratification may not offer, confer, or
13 agree to confer to an officer or employee of a large school
14 district:

15 (1) a loan, including the guarantee or endorsement of
16 a loan;

17 (2) a gift of cash or a negotiable instrument as
18 described by Section 3.104, Business & Commerce Code;

19 (3) an expenditure for transportation and lodging;

20 (4) an expenditure or series of expenditures for
21 entertainment that in the aggregate exceed \$500 in a calendar year;

22 (5) an expenditure or series of expenditures for gifts
23 that in the aggregate exceed \$500 in a calendar year;

24 (6) an expenditure for an award or memento that
25 exceeds \$500; or

26 (7) an expenditure described by Section 11.405(b)(1),
27 (2), (3), or (6) unless the registrant is present at the event.

1 (b) Except as provided by Section 11.418, an officer or
2 employee of a large school district may not solicit, accept, or
3 agree to accept an item listed in Subsection (a) from a person
4 registered under Section 11.404 or from a person on the
5 registrant's behalf and with the registrant's consent or
6 ratification.

7 (c) A person who violates this section commits an offense.
8 An offense under this section is a Class A misdemeanor.

9 Sec. 11.418. EXCEPTIONS. Section 11.417 does not
10 prohibit:

11 (1) a loan in the due course of business from a
12 corporation or other business entity that is legally engaged in the
13 business of lending money and that has conducted that business
14 continuously for more than one year before the loan is made;

15 (2) a loan or guarantee of a loan or a gift made or
16 given by a person related within the second degree by affinity or
17 consanguinity as determined under Subchapter B, Chapter 573,
18 Government Code, to the officer or employee of a large school
19 district;

20 (3) necessary expenditures for transportation and
21 lodging when the purpose of the travel is to explore matters
22 directly related to the duties of an officer or employee of a large
23 school district, such as fact-finding trips, but not including
24 attendance at merely ceremonial events or pleasure trips;

25 (4) necessary expenditures for transportation and
26 lodging provided in connection with a conference, seminar,
27 educational program, or similar event in which the officer or

1 employee renders services, such as addressing an audience or
2 engaging in a seminar, to the extent that those services are more
3 than merely perfunctory;

4 (5) an incidental expenditure for transportation as
5 determined by commission rule; or

6 (6) a political contribution as defined by Section
7 251.001, Election Code.

8 Sec. 11.419. ENFORCEMENT. (a) The commission, the
9 attorney general, or any county or district attorney may enforce
10 this subchapter.

11 (b) On the application of any citizen of this state, a
12 district court in Travis County may issue an injunction to enforce
13 this subchapter.

14 (c) A person may file with the appropriate prosecuting
15 attorney or with the commission a written, sworn statement alleging
16 a violation of this subchapter.

17 Sec. 11.420. VENUE. An offense under this subchapter,
18 including perjury, may be prosecuted in Travis County or in any
19 other county in which it may be prosecuted under the Code of
20 Criminal Procedure.

21 SECTION 4. Subchapter E, Chapter 130, Education Code, is
22 amended by adding Section 130.0831 to read as follows:

23 Sec. 130.0831. FILING OF FINANCIAL STATEMENT BY TRUSTEE.

24 (a) A member of the board of trustees of a junior college district
25 shall file the financial statement required of state officers under
26 Subchapter B, Chapter 572, Government Code, with:

27 (1) the board of trustees of the junior college

1 district; and

2 (2) the Texas Ethics Commission.

3 (b) Subchapter B, Chapter 572, Government Code:

4 (1) applies to a trustee of a junior college district
5 as if the trustee were a state officer; and

6 (2) governs the contents, timeliness of filing, and
7 public inspection of a statement filed under this section.

8 (c) A trustee subject to this section commits an offense if
9 the trustee fails to file the statement required by this section. An
10 offense under this section is a Class B misdemeanor.

11 SECTION 5. Chapter 130, Education Code, is amended by
12 adding Subchapter K to read as follows:

13 SUBCHAPTER K. REPORTING BY PERSONS SEEKING TO INFLUENCE

14 JUNIOR COLLEGE DISTRICT ADMINISTRATIVE ACTION

15 Sec. 130.251. DEFINITIONS. In this subchapter:

16 (1) "Administrative action" means any matter that may
17 be the subject of action by the board of trustees or an officer or
18 employee of a junior college district.

19 (2) "Commission" means the Texas Ethics Commission.

20 (3) "Communicates directly with" or any variation of
21 the phrase means contact in person or by telephone, telegraph,
22 letter, facsimile, electronic mail, or other electronic means of
23 communication.

24 (4) "Compensation" means money, service, facility, or
25 other thing of value or financial benefit that is received or is to
26 be received in return for or in connection with services rendered or
27 to be rendered.

1 (5) "Expenditure" means a payment, distribution,
2 loan, advance, reimbursement, deposit, or gift of money or any
3 thing of value and includes a contract, promise, or agreement,
4 whether or not legally enforceable, to make an expenditure.

5 (6) "Immediate family" means a spouse or dependent
6 child.

7 (7) "Registrant" means a person required to register
8 under Section 130.252.

9 Sec. 130.252. PERSONS REQUIRED TO REGISTER. (a) A person
10 must register with the commission if the person:

11 (1) makes a total expenditure of an amount determined
12 by commission rule but not less than \$200 in a calendar quarter, not
13 including the person's own travel, food, or lodging expenses or the
14 person's own membership dues, on activities described in Section
15 130.255(b) to communicate directly with one or more officers or
16 employees of one or more junior college districts to influence
17 administrative action; or

18 (2) receives compensation or reimbursement, not
19 including reimbursement for the person's own travel, food, or
20 lodging expenses or the person's own membership dues, of more than
21 an amount determined by commission rule but not less than \$200 in a
22 calendar quarter from another person to communicate directly with
23 an officer or employee of a junior college district to influence
24 administrative action.

25 (b) Subsection (a)(2) requires a person to register if the
26 person, as part of the person's regular employment, has
27 communicated directly with a junior college district officer or

1 employee to influence administrative action on behalf of another
2 person by whom the person is compensated or reimbursed, whether or
3 not the person receives any compensation for the communication in
4 addition to the salary for that regular employment.

5 (c) Subsection (a)(2) does not require a member of the
6 judicial, legislative, or executive branch of state government or
7 an officer or employee of a political subdivision of the state to
8 register.

9 (d) A person who communicates directly with an officer or
10 employee of a junior college district is not required to register
11 under Subsection (a)(2) if the person is an attorney of record or
12 pro se, the person enters the person's appearance in a public record
13 through pleadings or other written documents in an adversarial
14 proceeding pending before the board of trustees of the junior
15 college district, and that communication is the only activity that
16 would otherwise require the person to register.

17 Sec. 130.253. EXCEPTIONS. The following persons are not
18 required to register under this subchapter:

19 (1) a person who owns, publishes, or is employed by a
20 newspaper, any other regularly published periodical, a radio
21 station, a television station, a wire service, or any other bona
22 fide news medium that in the ordinary course of business
23 disseminates news, letters to the editors, editorial or other
24 comment, or paid advertisements that directly or indirectly oppose
25 or promote administrative action, if the person does not engage in
26 further or other activities that require registration under this
27 subchapter and does not represent another person in connection with

1 influencing administrative action;

2 (2) a person whose only direct communication with a
3 junior college district officer or employee to influence
4 administrative action is an appearance before or testimony to one
5 or more junior college district officers or employees in a hearing
6 conducted by or on behalf of a junior college district and who does
7 not receive special or extra compensation for the appearance other
8 than actual expenses incurred in attending the hearing;

9 (3) a person whose only activity is to encourage or
10 solicit members, employees, or stockholders of an entity by whom
11 the person is reimbursed, employed, or retained to communicate
12 directly with junior college district officers or employees to
13 influence administrative action; and

14 (4) a person whose only activity to influence
15 administrative action is to compensate or reimburse an individual
16 registrant to act in the person's behalf to communicate directly
17 with a junior college district officer or employee to influence
18 administrative action.

19 Sec. 130.254. REGISTRATION. (a) Each person required to
20 register under this subchapter shall file a written registration
21 with the commission and shall submit a registration fee.

22 (b) A registration filed under this subchapter expires
23 December 31 of each year unless the registrant submits a
24 registration renewal form to the commission on a form prescribed by
25 the commission and submits the registration renewal fee. The
26 registrant may file the registration renewal form and the fee
27 anytime in December of the year in which the registration expires.

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

2 (1) \$100 for a registrant employed by an organization
3 exempt from federal income tax under Section 501(c)(3) or
4 501(c)(4), Internal Revenue Code of 1986; or

5 (2) \$300 for any other registrant.

6 (d) A person required to register under this subchapter who
7 has not registered or whose registration has expired shall file the
8 registration form and submit the registration fee not later than
9 the fifth day after the date on which the person or the person's
10 employee makes the first direct communication with a junior college
11 district officer or employee that requires the person's
12 registration.

13 (e) The registration must be verified and must contain:

14 (1) the registrant's full name and address;

15 (2) the registrant's normal business name, business
16 phone number, and business address;

17 (3) the full name and address of each person:

18 (A) who reimburses, retains, or employs the
19 registrant to communicate directly with an officer or employee of a
20 junior college district to influence administrative action; and

21 (B) on whose behalf the registrant has
22 communicated directly with an officer or employee of a junior
23 college district to influence administrative action;

24 (4) a general description of the administrative action
25 that is the subject of the registrant's direct communication with
26 an officer or employee of a junior college district;

27 (5) for each person employed or retained by the

1 registrant for the purpose of assisting in direct communication
2 with an officer or employee of a junior college district to
3 influence administrative action:

4 (A) the full name, business address, and
5 occupation of the person; and

6 (B) a general description of the administrative
7 action to which the person's activities reportable under this
8 subchapter are related; and

9 (6) the amount of compensation or reimbursement paid
10 by each person who reimburses, retains, or employs the registrant
11 for the purpose of communicating directly with an officer or
12 employee of a junior college district or on whose behalf the
13 registrant communicates directly with an officer or employee of a
14 junior college district.

15 (f) Compensation or reimbursement required to be reported
16 under Subsection (e)(6) shall be reported in the following
17 categories unless reported as an exact amount:

18 (1) \$0 if no compensation or reimbursement is
19 received;

20 (2) less than \$10,000;

21 (3) at least \$10,000 but less than \$25,000;

22 (4) at least \$25,000 but less than \$50,000;

23 (5) at least \$50,000 but less than \$100,000;

24 (6) at least \$100,000 but less than \$150,000;

25 (7) at least \$150,000 but less than \$200,000; and

26 (8) \$200,000 or more.

27 (g) If a registrant's activities are done on behalf of the

1 members of a group or organization, including a business, trade, or
2 consumer interest association but excluding a corporation, the
3 registration form must include:

4 (1) a statement of the number of members in the group
5 or organization;

6 (2) the name of each person in the group or
7 organization who determines the policy of the group or organization
8 relating to influencing administrative action;

9 (3) a full description of the methods by which the
10 registrant develops and makes decisions about positions on policy;
11 and

12 (4) a list of those persons making a grant or
13 contribution, in addition to or instead of dues or fees, that
14 exceeds \$250 per year.

15 (h) If a registrant's activities are done on behalf of a
16 corporation the shares of which are not publicly traded, the
17 registration form must include:

18 (1) the number of shareholders in the corporation;

19 (2) the name and address of each officer or member of
20 the board of directors; and

21 (3) the name of each person owning 10 percent or more
22 shares of the corporation.

23 (i) If there is a change in the information required to be
24 reported by a registrant under this section, other than Subsection
25 (g) or (h), and that changed information is not timely reported on a
26 report due under Section 130.259, the registrant shall file an
27 amended statement reflecting the change with the commission not

1 later than the date on which the next report is due under Section
2 130.259.

3 Sec. 130.255. ACTIVITIES REPORT. (a) Each registrant
4 shall file with the commission a written, verified report
5 concerning the activities described by this section.

6 (b) The report must contain the total expenditures under a
7 category listed in this subsection that the registrant made to
8 communicate directly with an officer or employee of a junior
9 college district to influence administrative action and that are
10 directly attributable to an officer or employee of a junior college
11 district or the immediate family of an officer or employee of a
12 junior college district. The report must also include expenditures
13 for the direct communications under a category listed in this
14 subsection that other people made on the registrant's behalf if the
15 expenditures were made with the registrant's consent or were
16 ratified by the registrant. The expenditures must be reported in
17 the following categories:

18 (1) transportation and lodging;

19 (2) food and beverages;

20 (3) entertainment;

21 (4) gifts, other than awards and mementos;

22 (5) awards and mementos; and

23 (6) expenditures made for the attendance of officers
24 or employees of junior college districts at political fund-raisers
25 or charity events.

26 (c) The report must also list the total expenditures made by
27 the registrant or by others on the registrant's behalf and with the

1 registrant's consent or ratification for broadcast or print
2 advertisements, direct mailings, and other mass media
3 communications if:

4 (1) the communications are made to a person other than
5 a member, employee, or stockholder of an entity that reimburses,
6 retains, or employs the registrant; and

7 (2) the communications support or oppose or encourage
8 another to support or oppose pending administrative action.

9 (d) The report must also contain a list of the specific
10 categories of administrative actions about which the registrant,
11 any person the registrant retains or employs to appear on the
12 registrant's behalf, or any other person appearing on the
13 registrant's behalf communicated directly with an officer or
14 employee of a junior college district and that has not been reported
15 under Section 130.254(e)(5).

16 (e) A registrant who reports an expenditure under one
17 category provided by Subsection (b) may not report the same
18 expenditure under another category of Subsection (b).

19 (f) For purposes of Subsection (b), an expenditure is
20 directly attributable to the person who consumed the food or
21 beverage, to the person for whom admission, transportation, or
22 lodging expenses were paid, or to the person to whom the gift,
23 award, or memento was given.

24 Sec. 130.256. DETAILED REPORTS. (a) If a registrant or a
25 person on the registrant's behalf and with the registrant's consent
26 or ratification makes expenditures that exceed 60 percent of the
27 amount of the legislative per diem in a day for transportation or

1 lodging for an officer or employee of a junior college district, the
2 registrant shall also state the following on the report filed under
3 Section 130.255:

4 (1) the name of the officer or employee on whose behalf
5 the expenditure is made;

6 (2) the place and date of the transportation or
7 lodging; and

8 (3) the purpose of the transportation or lodging.

9 (b) If a registrant or a person on the registrant's behalf
10 and with the registrant's consent or ratification makes
11 expenditures that exceed 60 percent of the amount of the
12 legislative per diem in a day for food and beverages for an officer
13 or employee of a junior college district or makes expenditures that
14 exceed 60 percent of the amount of the legislative per diem in a day
15 for entertainment for an officer or employee of a junior college
16 district or for the immediate family of an officer or employee of a
17 junior college district, the registrant shall also state the
18 following on the report filed under Section 130.255:

19 (1) the name of the officer or employee on whose behalf
20 the expenditure is made;

21 (2) the place and date of the expenditure; and

22 (3) the amount of the expenditure by the appropriate
23 category of the amount, as determined by the commission.

24 (c) If a registrant or a person on the registrant's behalf
25 and with the registrant's consent or ratification gives to an
26 officer or employee of a junior college district a gift or an award
27 or memento, the value of which exceeds \$50 per gift, award, or

1 memento, the registrant shall also state the following on the
2 report filed under Section 130.255:

3 (1) the name of the officer or employee on whose behalf
4 the expenditure is made;

5 (2) a general description of the gift, award, or
6 memento; and

7 (3) the amount of the expenditure by the appropriate
8 category of the amount, as determined by the commission.

9 (d) If a registrant or a person on the registrant's behalf
10 and with the registrant's consent or ratification makes
11 expenditures for the attendance of an officer or employee of a
12 junior college district at a political fund-raiser or charity
13 event, the registrant shall also state the following on the report
14 filed under Section 130.255:

15 (1) the name of the officer or employee on whose behalf
16 the expenditure is made;

17 (2) the name of the charity or the name of the
18 candidate or officeholder for whom the political fund-raiser was
19 held, as applicable; and

20 (3) the date of the fund-raiser or event.

21 (e) If a registrant or a person on the registrant's behalf
22 and with the registrant's consent or ratification makes an
23 expenditure for a gift, award, or memento for an officer or employee
24 of a junior college district in conjunction with an expenditure for
25 the attendance of that person at a political fund-raiser or charity
26 event, the registrant shall report the expenditure for the gift,
27 award, or memento under Subsection (c), if required, and not under

1 Subsection (d).

2 (f) If a registrant or a person on the registrant's behalf
3 and with the registrant's consent or ratification makes an
4 expenditure described by Section 130.255(b)(1), (2), or (3) to
5 communicate directly with more than one officer or employee of a
6 junior college district to influence administrative action and if
7 the registrant cannot reasonably determine the amount that is
8 directly attributable to an officer or employee, the registrant
9 shall apportion the expenditure made by that registrant according
10 to the number of persons in attendance. The registrant shall report
11 as required by Subsection (a), (b), or (c) if the expenditure for
12 each person exceeds the amount provided under Subsection (a), (b),
13 or (c).

14 (g) In this section, "legislative per diem" means the per
15 diem set by the commission for members of the legislature as
16 provided by Section 24(a), Article III, Texas Constitution.

17 Sec. 130.257. MODIFIED REPORTING. (a) A person required
18 to register under this subchapter may, when filing the registration
19 form or registration renewal form, elect to file an activities
20 report under this section instead of Section 130.255 if the person
21 does not intend to make expenditures reportable under Section
22 130.255(b) of more than \$1,000 during a calendar year, not
23 including the person's own travel, food, or lodging expenses or the
24 person's own membership dues.

25 (b) To be entitled to file reports under this section, the
26 registrant must file with the registration form or registration
27 renewal form a written declaration of intent not to exceed \$1,000 in

1 expenditures during each calendar year in which that registration
2 or registration renewal is effective.

3 (c) A registrant filing under this section shall annually
4 file the report required by Section 130.255. The report must be
5 filed not later than January 10 and must cover the activities
6 occurring during the previous calendar year.

7 (d) A registrant who exceeds \$1,000 in expenditures shall
8 file monthly reports as required by Section 130.259. The first
9 report filed after exceeding \$1,000 covers the period beginning
10 January 1 through the date on which the next reporting period ends.

11 Sec. 130.258. ELECTRONIC FILING OF REGISTRATIONS AND
12 ACTIVITY REPORTS. (a) Except as provided by Subsection (b), each
13 registration filed under Section 130.254 and each report filed
14 under Section 130.255 must be filed by computer diskette, modem, or
15 other means of electronic transfer, using computer software
16 provided by the commission or computer software that meets
17 commission specifications for a standard file format.

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

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

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

26 (c) A registration fee under Section 130.254(c)(1) or (2)
27 for the calendar years 2006 and 2007 is increased by an amount

1 determined by the commission as sufficient to generate additional
2 revenue necessary to develop and implement an electronic filing
3 system under Subsection (a). Additional revenue generated by a fee
4 increase under this subsection may be used only to develop and
5 implement the electronic filing system under Subsection (a). The
6 commission may impose a different increase for each fee under
7 Section 130.254(c). This subsection expires January 1, 2008.

8 Sec. 130.259. REPORT FILING DATES. (a) Each registrant
9 must file a report required by Section 130.255 between the 1st and
10 10th day of each month. The report must cover the activities
11 occurring during the preceding month.

12 (b) A person who made expenditures on the registrant's
13 behalf that are required to be reported under Section 130.255 or a
14 person who has other information that is required to be reported by
15 the registrant under this subchapter shall provide a full, verified
16 account of the expenditures to the registrant not later than the
17 seventh day before the date on which the registrant's report is due.

18 Sec. 130.260. TERMINATION NOTICE. (a) A person who
19 ceases to engage in activities requiring registration under this
20 subchapter shall file a written, verified statement with the
21 commission acknowledging the termination of activities. The notice
22 is effective immediately.

23 (b) A person who files a notice of termination under this
24 section must file the reports required by Section 130.255 for any
25 reporting period during which the person was registered.

26 Sec. 130.261. MAINTENANCE OF REPORTS. (a) All reports
27 filed under this subchapter are public records and shall be made

1 available for public inspection during regular business hours.

2 (b) The commission shall:

3 (1) maintain registrations and reports in a separate,
4 alphabetical file;

5 (2) remove registrations and reports from the files
6 after five years from the date of filing; and

7 (3) maintain a deputy available to receive
8 registrations and reports and make the registrations and reports
9 available to the public for inspection.

10 (c) The commission shall retain a report filed under this
11 subchapter for at least four years after the date the report is
12 filed.

13 (d) A registrant shall keep any records necessary to the
14 reports required under this subchapter for at least four years
15 after the date the report is filed.

16 Sec. 130.262. TIMELINESS OF FILING REGISTRATIONS AND
17 REPORTS. A registration or report filed by first-class United
18 States mail or by common or contract carrier is timely if:

19 (1) it is properly addressed with postage or handling
20 charges prepaid; and

21 (2) it bears a post office cancellation mark or a
22 receipt mark from a common or contract carrier indicating a time
23 within the applicable filing period or before the applicable filing
24 deadline or if the person required to file furnishes satisfactory
25 proof that it was deposited in the mail or with a common or contract
26 carrier within that period or before that deadline.

27 Sec. 130.263. CRIMINAL PENALTY FOR FAILURE TO REGISTER OR

1 REPORT. (a) A person who is required to register under Section
2 130.254 commits an offense if the person knowingly fails to
3 register as required by that section.

4 (b) A person who is required by this subchapter to file a
5 report commits an offense if the person:

6 (1) knowingly fails to file the report on time; or

7 (2) knowingly fails to include in the report
8 information that is required to be included under this subchapter.

9 (c) An offense under this section is a Class A misdemeanor.

10 Sec. 130.264. CIVIL PENALTY FOR FAILURE TO REGISTER OR
11 REPORT. In addition to the criminal penalties prescribed by
12 Section 130.263, a person who receives compensation or
13 reimbursement or makes an expenditure for engaging in direct
14 communication to influence administrative action and who fails to
15 file a registration form or activities report required to be filed
16 under this subchapter shall pay a civil penalty in an amount
17 determined by commission rule, but not to exceed an amount equal to
18 three times the compensation, reimbursement, or expenditure.

19 Sec. 130.265. CIVIL PENALTY FOR LATE FILING. (a) The
20 commission shall determine from any available evidence whether a
21 registration or report required to be filed with the commission
22 under this subchapter is late. A registration filed without the fee
23 required by Section 130.254 is considered to be late. On making a
24 determination that a required registration or report is late, the
25 commission shall immediately mail a notice of the determination to
26 the person responsible for the filing and to the appropriate
27 attorney for the state.

1 (b) If a registration or report is determined to be late,
2 the person responsible for the filing is liable to the state for
3 payment of a civil penalty of \$500.

4 (c) If a registration or report is more than 30 days late,
5 the commission shall issue a warning of liability by registered
6 mail to the person responsible for the filing. If the penalty is
7 not paid before the 10th day after the date on which the warning is
8 received, the person is liable for a penalty in an amount determined
9 by commission rule, but not to exceed \$10,000.

10 (d) This section is in addition to any other available
11 sanctions for late filings of registrations or reports.

12 Sec. 130.266. FALSE COMMUNICATIONS. (a) A person, for the
13 purpose of influencing administrative action, may not:

14 (1) knowingly make a false statement or
15 misrepresentation of the facts to an officer or employee of a junior
16 college district; or

17 (2) cause a copy of a document the person knows to
18 contain a false statement to be received by an officer or employee
19 of a junior college district without notifying the officer or
20 employee in writing of the truth.

21 (b) A person who violates this section commits an offense.
22 An offense under this section is a Class A misdemeanor.

23 Sec. 130.267. RESTRICTIONS ON EXPENDITURES. (a) Except
24 as provided by Section 130.268, a person registered under Section
25 130.254 or a person on the registrant's behalf and with the
26 registrant's consent or ratification may not offer, confer, or
27 agree to confer to an officer or employee of a junior college

1 district:

2 (1) a loan, including the guarantee or endorsement of
3 a loan;

4 (2) a gift of cash or a negotiable instrument as
5 described by Section 3.104, Business & Commerce Code;

6 (3) an expenditure for transportation and lodging;

7 (4) an expenditure or series of expenditures for
8 entertainment that in the aggregate exceed \$500 in a calendar year;

9 (5) an expenditure or series of expenditures for gifts
10 that in the aggregate exceed \$500 in a calendar year;

11 (6) an expenditure for an award or memento that
12 exceeds \$500; or

13 (7) an expenditure described by Section
14 130.255(b)(1), (2), (3), or (6) unless the registrant is present at
15 the event.

16 (b) Except as provided by Section 130.268, an officer or
17 employee of a junior college district may not solicit, accept, or
18 agree to accept an item listed in Subsection (a) from a person
19 registered under Section 130.254 or from a person on the
20 registrant's behalf and with the registrant's consent or
21 ratification.

22 (c) A person who violates this section commits an offense.
23 An offense under this section is a Class A misdemeanor.

24 Sec. 130.268. EXCEPTIONS. Section 130.267 does not
25 prohibit:

26 (1) a loan in the due course of business from a
27 corporation or other business entity that is legally engaged in the

1 business of lending money and that has conducted that business
2 continuously for more than one year before the loan is made;

3 (2) a loan or guarantee of a loan or a gift made or
4 given by a person related within the second degree by affinity or
5 consanguinity as determined under Subchapter B, Chapter 573,
6 Government Code, to the officer or employee of a junior college
7 district;

8 (3) necessary expenditures for transportation and
9 lodging when the purpose of the travel is to explore matters
10 directly related to the duties of an officer or employee of a junior
11 college district, such as fact-finding trips, but not including
12 attendance at merely ceremonial events or pleasure trips;

13 (4) necessary expenditures for transportation and
14 lodging provided in connection with a conference, seminar,
15 educational program, or similar event in which the officer or
16 employee renders services, such as addressing an audience or
17 engaging in a seminar, to the extent that those services are more
18 than merely perfunctory;

19 (5) an incidental expenditure for transportation as
20 determined by commission rule; or

21 (6) a political contribution as defined by Section
22 251.001, Election Code.

23 Sec. 130.269. ENFORCEMENT. (a) The commission, the
24 attorney general, or any county or district attorney may enforce
25 this subchapter.

26 (b) On the application of any citizen of this state, a
27 district court in Travis County may issue an injunction to enforce

1 this subchapter.

2 (c) A person may file with the appropriate prosecuting
3 attorney or with the commission a written, sworn statement alleging
4 a violation of this subchapter.

5 Sec. 130.270. VENUE. An offense under this subchapter,
6 including perjury, may be prosecuted in Travis County or in any
7 other county in which it may be prosecuted under the Code of
8 Criminal Procedure.

9 SECTION 6. Subchapter B, Chapter 802, Government Code, is
10 amended by adding Section 802.108 to read as follows:

11 Sec. 802.108. FILING OF FINANCIAL STATEMENT BY TRUSTEE.

12 (a) In this section, "trustee" means a member of the governing body
13 of a public retirement system.

14 (b) A trustee of a retirement system created for the
15 officers and employees of a municipality with a population of at
16 least 750,000 shall file the financial statement required of state
17 officers under Subchapter B, Chapter 572, with:

18 (1) the governing body of the retirement system; and

19 (2) the Texas Ethics Commission.

20 (c) Subchapter B, Chapter 572:

21 (1) applies to a trustee subject to this section as if
22 the trustee were a state officer; and

23 (2) governs the contents, timeliness of filing, and
24 public inspection of a statement filed under this section.

25 (d) A trustee subject to this section commits an offense if
26 the trustee fails to file the statement required by this section. An
27 offense under this section is a Class B misdemeanor.

1 SECTION 7. Chapter 802, Government Code, is amended by
2 adding Subchapter E to read as follows:

3 SUBCHAPTER E. REPORTING BY PERSONS SEEKING
4 TO INFLUENCE MUNICIPAL RETIREMENT SYSTEM ADMINISTRATIVE ACTION

5 Sec. 802.351. DEFINITIONS. In this subchapter:

6 (1) "Administrative action" means any matter that may
7 be the subject of action by the governing body or an officer or
8 employee of a municipal retirement system.

9 (2) "Commission" means the Texas Ethics Commission.

10 (3) "Communicates directly with" or any variation of
11 the phrase means contact in person or by telephone, telegraph,
12 letter, facsimile, electronic mail, or other electronic means of
13 communication.

14 (4) "Compensation" means money, service, facility, or
15 other thing of value or financial benefit that is received or is to
16 be received in return for or in connection with services rendered or
17 to be rendered.

18 (5) "Expenditure" means a payment, distribution,
19 loan, advance, reimbursement, deposit, or gift of money or any
20 thing of value and includes a contract, promise, or agreement,
21 whether or not legally enforceable, to make an expenditure.

22 (6) "Immediate family" means a spouse or dependent
23 child.

24 (7) "Large municipal retirement system" means a
25 retirement system created for the officers and employees of a
26 municipality with a population of at least 750,000.

27 (8) "Registrant" means a person required to register

1 under Section 802.352.

2 Sec. 802.352. PERSONS REQUIRED TO REGISTER. (a) A person
3 must register with the commission if the person:

4 (1) makes a total expenditure of an amount determined
5 by commission rule but not less than \$200 in a calendar quarter, not
6 including the person's own travel, food, or lodging expenses or the
7 person's own membership dues, on activities described in Section
8 802.355(b) to communicate directly with one or more officers or
9 employees of one or more large municipal retirement systems to
10 influence administrative action; or

11 (2) receives compensation or reimbursement, not
12 including reimbursement for the person's own travel, food, or
13 lodging expenses or the person's own membership dues, of more than
14 an amount determined by commission rule but not less than \$200 in a
15 calendar quarter from another person to communicate directly with
16 an officer or employee of a large municipal retirement system to
17 influence administrative action.

18 (b) Subsection (a)(2) requires a person to register if the
19 person, as part of the person's regular employment, has
20 communicated directly with an officer or employee of a municipal
21 retirement system to influence administrative action on behalf of
22 another person by whom the person is compensated or reimbursed,
23 whether or not the person receives any compensation for the
24 communication in addition to the salary for that regular
25 employment.

26 (c) Subsection (a)(2) does not require a member of the
27 judicial, legislative, or executive branch of state government or

1 an officer or employee of a political subdivision of the state to
2 register.

3 (d) A person who communicates directly with an officer or
4 employee of a municipal retirement system is not required to
5 register under Subsection (a)(2) if the person is an attorney of
6 record or pro se, the person enters the person's appearance in a
7 public record through pleadings or other written documents in an
8 adversarial proceeding pending before the governing body of the
9 municipal retirement system, and that communication is the only
10 activity that would otherwise require the person to register.

11 Sec. 802.353. EXCEPTIONS. The following persons are not
12 required to register under this subchapter:

13 (1) a person who owns, publishes, or is employed by a
14 newspaper, any other regularly published periodical, a radio
15 station, a television station, a wire service, or any other bona
16 fide news medium that in the ordinary course of business
17 disseminates news, letters to the editors, editorial or other
18 comment, or paid advertisements that directly or indirectly oppose
19 or promote administrative action, if the person does not engage in
20 further or other activities that require registration under this
21 subchapter and does not represent another person in connection with
22 influencing administrative action;

23 (2) a person whose only direct communication with an
24 officer or employee of a municipal retirement system to influence
25 administrative action is an appearance before or testimony to one
26 or more system officers or employees in a hearing conducted by or on
27 behalf of a municipal retirement system and who does not receive

1 special or extra compensation for the appearance other than actual
2 expenses incurred in attending the hearing;

3 (3) a person whose only activity is to encourage or
4 solicit members, employees, or stockholders of an entity by whom
5 the person is reimbursed, employed, or retained to communicate
6 directly with officers or employees of a municipal retirement
7 system to influence administrative action; and

8 (4) a person whose only activity to influence
9 administrative action is to compensate or reimburse an individual
10 registrant to act in the person's behalf to communicate directly
11 with an officer or employee of a municipal retirement system to
12 influence administrative action.

13 Sec. 802.354. REGISTRATION. (a) Each person required to
14 register under this subchapter shall file a written registration
15 with the commission and shall submit a registration fee.

16 (b) A registration filed under this subchapter expires
17 December 31 of each year unless the registrant submits a
18 registration renewal form to the commission on a form prescribed by
19 the commission and submits the registration renewal fee. The
20 registrant may file the registration renewal form and the fee
21 anytime in December of the year in which the registration expires.

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

23 (1) \$100 for a registrant employed by an organization
24 exempt from federal income tax under Section 501(c)(3) or
25 501(c)(4), Internal Revenue Code of 1986; or

26 (2) \$300 for any other registrant.

27 (d) A person required to register under this subchapter who

1 has not registered or whose registration has expired shall file the
2 registration form and submit the registration fee not later than
3 the fifth day after the date on which the person or the person's
4 employee makes the first direct communication with an officer or
5 employee of a municipal retirement system that requires the
6 person's registration.

7 (e) The registration must be verified and must contain:

8 (1) the registrant's full name and address;

9 (2) the registrant's normal business name, business
10 phone number, and business address;

11 (3) the full name and address of each person:

12 (A) who reimburses, retains, or employs the
13 registrant to communicate directly with an officer or employee of a
14 large municipal retirement system to influence administrative
15 action; and

16 (B) on whose behalf the registrant has
17 communicated directly with an officer or employee of a large
18 municipal retirement system to influence administrative action;

19 (4) a general description of the administrative action
20 that is the subject of the registrant's direct communication with
21 an officer or employee of a large municipal retirement system;

22 (5) for each person employed or retained by the
23 registrant for the purpose of assisting in direct communication
24 with an officer or employee of a large municipal retirement system
25 to influence administrative action:

26 (A) the full name, business address, and
27 occupation of the person; and

1 (B) a general description of the administrative
2 action to which the person's activities reportable under this
3 subchapter are related; and

4 (6) the amount of compensation or reimbursement paid
5 by each person who reimburses, retains, or employs the registrant
6 for the purpose of communicating directly with an officer or
7 employee of a large municipal retirement system or on whose behalf
8 the registrant communicates directly with an officer or employee of
9 a large municipal retirement system.

10 (f) Compensation or reimbursement required to be reported
11 under Subsection (e)(6) shall be reported in the following
12 categories unless reported as an exact amount:

13 (1) \$0 if no compensation or reimbursement is
14 received;

15 (2) less than \$10,000;

16 (3) at least \$10,000 but less than \$25,000;

17 (4) at least \$25,000 but less than \$50,000;

18 (5) at least \$50,000 but less than \$100,000;

19 (6) at least \$100,000 but less than \$150,000;

20 (7) at least \$150,000 but less than \$200,000; and

21 (8) \$200,000 or more.

22 (g) If a registrant's activities are done on behalf of the
23 members of a group or organization, including a business, trade, or
24 consumer interest association but excluding a corporation, the
25 registration form must include:

26 (1) a statement of the number of members in the group
27 or organization;

1 (2) the name of each person in the group or
2 organization who determines the policy of the group or organization
3 relating to influencing administrative action;

4 (3) a full description of the methods by which the
5 registrant develops and makes decisions about positions on policy;
6 and

7 (4) a list of those persons making a grant or
8 contribution, in addition to or instead of dues or fees, that
9 exceeds \$250 per year.

10 (h) If a registrant's activities are done on behalf of a
11 corporation the shares of which are not publicly traded, the
12 registration form must include:

13 (1) the number of shareholders in the corporation;

14 (2) the name and address of each officer or member of
15 the board of directors; and

16 (3) the name of each person owning 10 percent or more
17 shares of the corporation.

18 (i) If there is a change in the information required to be
19 reported by a registrant under this section, other than Subsection
20 (g) or (h), and that changed information is not timely reported on a
21 report due under Section 802.359, the registrant shall file an
22 amended statement reflecting the change with the commission not
23 later than the date on which the next report is due under Section
24 802.359.

25 Sec. 802.355. ACTIVITIES REPORT. (a) Each registrant
26 shall file with the commission a written, verified report
27 concerning the activities described by this section.

1 (b) The report must contain the total expenditures under a
2 category listed in this subsection that the registrant made to
3 communicate directly with an officer or employee of a large
4 municipal retirement system to influence administrative action and
5 that are directly attributable to an officer or employee of a large
6 municipal retirement system or the immediate family of an officer
7 or employee of a large municipal retirement system. The report must
8 also include expenditures for the direct communications under a
9 category listed in this subsection that other people made on the
10 registrant's behalf if the expenditures were made with the
11 registrant's consent or were ratified by the registrant. The
12 expenditures must be reported in the following categories:

- 13 (1) transportation and lodging;
14 (2) food and beverages;
15 (3) entertainment;
16 (4) gifts, other than awards and mementos;
17 (5) awards and mementos; and
18 (6) expenditures made for the attendance of officers
19 or employees of large municipal retirement systems at political
20 fund-raisers or charity events.

21 (c) The report must also list the total expenditures made by
22 the registrant or by others on the registrant's behalf and with the
23 registrant's consent or ratification for broadcast or print
24 advertisements, direct mailings, and other mass media
25 communications if:

- 26 (1) the communications are made to a person other than
27 a member, employee, or stockholder of an entity that reimburses,

1 retains, or employs the registrant; and

2 (2) the communications support or oppose or encourage
3 another to support or oppose pending administrative action.

4 (d) The report must also contain a list of the specific
5 categories of administrative actions about which the registrant,
6 any person the registrant retains or employs to appear on the
7 registrant's behalf, or any other person appearing on the
8 registrant's behalf communicated directly with an officer or
9 employee of a large municipal retirement system and that has not
10 been reported under Section 802.354(e)(5).

11 (e) A registrant who reports an expenditure under one
12 category provided by Subsection (b) may not report the same
13 expenditure under another category of Subsection (b).

14 (f) For purposes of Subsection (b), an expenditure is
15 directly attributable to the person who consumed the food or
16 beverage, to the person for whom admission, transportation, or
17 lodging expenses were paid, or to the person to whom the gift,
18 award, or memento was given.

19 Sec. 802.356. DETAILED REPORTS. (a) If a registrant or a
20 person on the registrant's behalf and with the registrant's consent
21 or ratification makes expenditures that exceed 60 percent of the
22 amount of the legislative per diem in a day for transportation or
23 lodging for an officer or employee of a large municipal retirement
24 system, the registrant shall also state the following on the report
25 filed under Section 802.355:

26 (1) the name of the officer or employee on whose behalf
27 the expenditure is made;

1 (2) the place and date of the transportation or
2 lodging; and

3 (3) the purpose of the transportation or lodging.

4 (b) If a registrant or a person on the registrant's behalf
5 and with the registrant's consent or ratification makes
6 expenditures that exceed 60 percent of the amount of the
7 legislative per diem in a day for food and beverages for an officer
8 or employee of a large municipal retirement system or makes
9 expenditures that exceed 60 percent of the amount of the
10 legislative per diem in a day for entertainment for an officer or
11 employee of a large municipal retirement system or for the
12 immediate family of an officer or employee of a large municipal
13 retirement system, the registrant shall also state the following on
14 the report filed under Section 802.355:

15 (1) the name of the officer or employee on whose behalf
16 the expenditure is made;

17 (2) the place and date of the expenditure; and

18 (3) the amount of the expenditure by the appropriate
19 category of the amount, as determined by the commission.

20 (c) If a registrant or a person on the registrant's behalf
21 and with the registrant's consent or ratification gives to an
22 officer or employee of a large municipal retirement system a gift or
23 an award or memento, the value of which exceeds \$50 per gift, award,
24 or memento, the registrant shall also state the following on the
25 report filed under Section 802.355:

26 (1) the name of the officer or employee on whose behalf
27 the expenditure is made;

1 (2) a general description of the gift, award, or
2 memento; and

3 (3) the amount of the expenditure by the appropriate
4 category of the amount, as determined by the commission.

5 (d) If a registrant or a person on the registrant's behalf
6 and with the registrant's consent or ratification makes
7 expenditures for the attendance of an officer or employee of a large
8 municipal retirement system at a political fund-raiser or charity
9 event, the registrant shall also state the following on the report
10 filed under Section 802.355:

11 (1) the name of the officer or employee on whose behalf
12 the expenditure is made;

13 (2) the name of the charity or the name of the
14 candidate or officeholder for whom the political fund-raiser was
15 held, as applicable; and

16 (3) the date of the fund-raiser or event.

17 (e) If a registrant or a person on the registrant's behalf
18 and with the registrant's consent or ratification makes an
19 expenditure for a gift, award, or memento for an officer or employee
20 of a large municipal retirement system in conjunction with an
21 expenditure for the attendance of that person at a political
22 fund-raiser or charity event, the registrant shall report the
23 expenditure for the gift, award, or memento under Subsection (c),
24 if required, and not under Subsection (d).

25 (f) If a registrant or a person on the registrant's behalf
26 and with the registrant's consent or ratification makes an
27 expenditure described by Section 802.355(b)(1), (2), or (3) to

1 communicate directly with more than one officer or employee of a
2 large municipal retirement system to influence administrative
3 action and if the registrant cannot reasonably determine the amount
4 that is directly attributable to an officer or employee, the
5 registrant shall apportion the expenditure made by that registrant
6 according to the number of persons in attendance. The registrant
7 shall report as required by Subsection (a), (b), or (c) if the
8 expenditure for each person exceeds the amount provided under
9 Subsection (a), (b), or (c).

10 (g) In this section, "legislative per diem" means the per
11 diem set by the commission for members of the legislature as
12 provided by Section 24(a), Article III, Texas Constitution.

13 Sec. 802.357. MODIFIED REPORTING. (a) A person required
14 to register under this subchapter may, when filing the registration
15 form or registration renewal form, elect to file an activities
16 report under this section instead of Section 802.355 if the person
17 does not intend to make expenditures reportable under Section
18 802.355(b) of more than \$1,000 during a calendar year, not
19 including the person's own travel, food, or lodging expenses or the
20 person's own membership dues.

21 (b) To be entitled to file reports under this section, the
22 registrant must file with the registration form or registration
23 renewal form a written declaration of intent not to exceed \$1,000 in
24 expenditures during each calendar year in which that registration
25 or registration renewal is effective.

26 (c) A registrant filing under this section shall annually
27 file the report required by Section 802.355. The report must be

1 filed not later than January 10 and must cover the activities
2 occurring during the previous calendar year.

3 (d) A registrant who exceeds \$1,000 in expenditures shall
4 file monthly reports as required by Section 802.359. The first
5 report filed after exceeding \$1,000 covers the period beginning
6 January 1 through the date on which the next reporting period ends.

7 Sec. 802.358. ELECTRONIC FILING OF REGISTRATIONS AND
8 ACTIVITY REPORTS. (a) Except as provided by Subsection (b), each
9 registration filed under Section 802.354 and each report filed
10 under Section 802.355 must be filed by computer diskette, modem, or
11 other means of electronic transfer, using computer software
12 provided by the commission or computer software that meets
13 commission specifications for a standard file format.

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

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

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

22 (c) A registration fee under Section 802.354(c)(1) or (2)
23 for the calendar years 2006 and 2007 is increased by an amount
24 determined by the commission as sufficient to generate additional
25 revenue necessary to develop and implement an electronic filing
26 system under Subsection (a). Additional revenue generated by a fee
27 increase under this subsection may be used only to develop and

1 implement the electronic filing system under Subsection (a). The
2 commission may impose a different increase for each fee under
3 Section 802.354(c). This subsection expires January 1, 2008.

4 Sec. 802.359. REPORT FILING DATES. (a) Each registrant
5 must file a report required by Section 802.355 between the 1st and
6 10th day of each month. The report must cover the activities
7 occurring during the preceding month.

8 (b) A person who made expenditures on the registrant's
9 behalf that are required to be reported under Section 802.355 or a
10 person who has other information that is required to be reported by
11 the registrant under this subchapter shall provide a full, verified
12 account of the expenditures to the registrant not later than the
13 seventh day before the date on which the registrant's report is due.

14 Sec. 802.360. TERMINATION NOTICE. (a) A person who
15 ceases to engage in activities requiring registration under this
16 subchapter shall file a written, verified statement with the
17 commission acknowledging the termination of activities. The notice
18 is effective immediately.

19 (b) A person who files a notice of termination under this
20 section must file the reports required by Section 802.355 for any
21 reporting period during which the person was registered.

22 Sec. 802.361. MAINTENANCE OF REPORTS. (a) All reports
23 filed under this subchapter are public records and shall be made
24 available for public inspection during regular business hours.

25 (b) The commission shall:

26 (1) maintain registrations and reports in a separate,
27 alphabetical file;

1 (2) remove registrations and reports from the files
2 after five years from the date of filing; and

3 (3) maintain a deputy available to receive
4 registrations and reports and make the registrations and reports
5 available to the public for inspection.

6 (c) The commission shall retain a report filed under this
7 subchapter for at least four years after the date the report is
8 filed.

9 (d) A registrant shall keep any records necessary to the
10 reports required under this subchapter for at least four years
11 after the date the report is filed.

12 Sec. 802.362. TIMELINESS OF FILING REGISTRATIONS AND
13 REPORTS. A registration or report filed by first-class United
14 States mail or by common or contract carrier is timely if:

15 (1) it is properly addressed with postage or handling
16 charges prepaid; and

17 (2) it bears a post office cancellation mark or a
18 receipt mark from a common or contract carrier indicating a time
19 within the applicable filing period or before the applicable filing
20 deadline or if the person required to file furnishes satisfactory
21 proof that it was deposited in the mail or with a common or contract
22 carrier within that period or before that deadline.

23 Sec. 802.363. CRIMINAL PENALTY FOR FAILURE TO REGISTER OR
24 REPORT. (a) A person who is required to register under Section
25 802.354 commits an offense if the person knowingly fails to
26 register as required by that section.

27 (b) A person who is required by this subchapter to file a

1 report commits an offense if the person:

2 (1) knowingly fails to file the report on time; or

3 (2) knowingly fails to include in the report
4 information that is required to be included under this subchapter.

5 (c) An offense under this section is a Class A misdemeanor.

6 Sec. 802.364. CIVIL PENALTY FOR FAILURE TO REGISTER OR
7 REPORT. In addition to the criminal penalties prescribed by
8 Section 802.363, a person who receives compensation or
9 reimbursement or makes an expenditure for engaging in direct
10 communication to influence administrative action and who fails to
11 file a registration form or activities report required to be filed
12 under this subchapter shall pay a civil penalty in an amount
13 determined by commission rule, but not to exceed an amount equal to
14 three times the compensation, reimbursement, or expenditure.

15 Sec. 802.365. CIVIL PENALTY FOR LATE FILING. (a) The
16 commission shall determine from any available evidence whether a
17 registration or report required to be filed with the commission
18 under this subchapter is late. A registration filed without the fee
19 required by Section 802.354 is considered to be late. On making a
20 determination that a required registration or report is late, the
21 commission shall immediately mail a notice of the determination to
22 the person responsible for the filing and to the appropriate
23 attorney for the state.

24 (b) If a registration or report is determined to be late,
25 the person responsible for the filing is liable to the state for
26 payment of a civil penalty of \$500.

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

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

6 (d) This section is in addition to any other available
7 sanctions for late filings of registrations or reports.

8 Sec. 802.366. FALSE COMMUNICATIONS. (a) A person, for the
9 purpose of influencing administrative action, may not:

10 (1) knowingly make a false statement or
11 misrepresentation of the facts to an officer or employee of a large
12 municipal retirement system; or

13 (2) cause a copy of a document the person knows to
14 contain a false statement to be received by an officer or employee
15 of a large municipal retirement system without notifying the
16 officer or employee in writing of the truth.

17 (b) A person who violates this section commits an offense.
18 An offense under this section is a Class A misdemeanor.

19 Sec. 802.367. RESTRICTIONS ON EXPENDITURES. (a) Except
20 as provided by Section 802.368, a person registered under Section
21 802.354 or a person on the registrant's behalf and with the
22 registrant's consent or ratification may not offer, confer, or
23 agree to confer to an officer or employee of a large municipal
24 retirement system:

25 (1) a loan, including the guarantee or endorsement of
26 a loan;

27 (2) a gift of cash or a negotiable instrument as

1 described by Section 3.104, Business & Commerce Code;

2 (3) an expenditure for transportation and lodging;

3 (4) an expenditure or series of expenditures for
4 entertainment that in the aggregate exceed \$500 in a calendar year;

5 (5) an expenditure or series of expenditures for gifts
6 that in the aggregate exceed \$500 in a calendar year;

7 (6) an expenditure for an award or memento that
8 exceeds \$500; or

9 (7) an expenditure described by Section
10 802.355(b)(1), (2), (3), or (6) unless the registrant is present at
11 the event.

12 (b) Except as provided by Section 802.368, an officer or
13 employee of a large municipal retirement system may not solicit,
14 accept, or agree to accept an item listed in Subsection (a) from a
15 person registered under Section 802.354 or from a person on the
16 registrant's behalf and with the registrant's consent or
17 ratification.

18 (c) A person who violates this section commits an offense.
19 An offense under this section is a Class A misdemeanor.

20 Sec. 802.368. EXCEPTIONS. Section 802.367 does not
21 prohibit:

22 (1) a loan in the due course of business from a
23 corporation or other business entity that is legally engaged in the
24 business of lending money and that has conducted that business
25 continuously for more than one year before the loan is made;

26 (2) a loan or guarantee of a loan or a gift made or
27 given by a person related within the second degree by affinity or

1 consanguinity as determined under Subchapter B, Chapter 573, to the
2 officer or employee of a large municipal retirement system;

3 (3) necessary expenditures for transportation and
4 lodging when the purpose of the travel is to explore matters
5 directly related to the duties of an officer or employee of a large
6 municipal retirement system, such as fact-finding trips, but not
7 including attendance at merely ceremonial events or pleasure trips;

8 (4) necessary expenditures for transportation and
9 lodging provided in connection with a conference, seminar,
10 educational program, or similar event in which the officer or
11 employee renders services, such as addressing an audience or
12 engaging in a seminar, to the extent that those services are more
13 than merely perfunctory;

14 (5) an incidental expenditure for transportation as
15 determined by commission rule; or

16 (6) a political contribution as defined by Section
17 251.001, Election Code.

18 Sec. 802.369. ENFORCEMENT. (a) The commission, the
19 attorney general, or any county or district attorney may enforce
20 this subchapter.

21 (b) On the application of any citizen of this state, a
22 district court in Travis County may issue an injunction to enforce
23 this subchapter.

24 (c) A person may file with the appropriate prosecuting
25 attorney or with the commission a written, sworn statement alleging
26 a violation of this subchapter.

27 Sec. 802.370. VENUE. An offense under this subchapter,

1 including perjury, may be prosecuted in Travis County or in any
2 other county in which it may be prosecuted under the Code of
3 Criminal Procedure.

4 SECTION 8. Section 571.061(a), Government Code, is amended
5 to read as follows:

6 (a) The commission shall administer and enforce:

7 (1) Chapters 302, 303, 305, 572, and 2004;

8 (2) Subchapter C, Chapter 159, Local Government Code,
9 in connection with a county judicial officer, as defined by Section
10 159.051, Local Government Code, who elects to file a financial
11 statement with the commission; ~~and~~

12 (3) Title 15, Election Code;

13 (4) Subchapter I, Chapter 11, Education Code, and
14 Subchapter K, Chapter 130, Education Code; and

15 (5) Subchapter E, Chapter 802.

16 SECTION 9. Section 571.0671, Government Code, is amended to
17 read as follows:

18 Sec. 571.0671. REQUIREMENTS FOR ELECTRONIC FILING
19 SOFTWARE. (a) Computer software provided or approved by the
20 commission for use under Section 254.036(b), Election Code, Section
21 11.408 or 130.258, Education Code, or Section 302.013, ~~or~~
22 305.0064, or 802.358 must:

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

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

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

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

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

12 (b) Before determining the specifications for computer
13 software developed, purchased, or licensed for use under Section
14 254.036(b) [~~254.036~~], Election Code, Section 11.408 or 130.258,
15 Education Code, or Section 302.013, [~~or~~] 305.0064, or 802.358, the
16 commission shall conduct at least one public hearing to discuss the
17 specifications. For at least 10 days following the hearing, the
18 commission shall accept public comments concerning the software
19 specifications.

20 (c) The commission may provide software for use under
21 Section 254.036(b), Election Code, Section 11.408 or 130.258,
22 Education Code, or Section 302.013, [~~or~~] 305.0064, or 802.358 by
23 making the software available on the Internet. If the commission
24 makes the software available on the Internet, the commission is not
25 required to provide the software on computer diskettes, CD-ROMs, or
26 other storage media without charge to persons required to file
27 reports under that section, but may charge a fee for providing the

1 software on storage media. A fee under this subsection may not
2 exceed the cost to the commission of providing the software.

3 SECTION 10. Section 571.091(a), Government Code, is amended
4 to read as follows:

5 (a) The commission shall prepare a written opinion
6 answering the request of a person subject to any of the following
7 laws for an opinion about the application of any of these laws to
8 the person in regard to a specified existing or hypothetical
9 factual situation:

- 10 (1) Chapter 302;
- 11 (2) Chapter 303;
- 12 (3) Chapter 305;
- 13 (4) Chapter 2004;
- 14 (5) Chapter 572;
- 15 (6) Subchapter C, Chapter 159, Local Government Code,
16 as provided by Section 571.061(a)(2);
- 17 (7) Title 15, Election Code;
- 18 (8) Chapter 36, Penal Code; ~~[or]~~
- 19 (9) Chapter 39, Penal Code;
- 20 (10) Subchapter I, Chapter 11, Education Code, or
21 Subchapter K, Chapter 130, Education Code; or
- 22 (11) Subchapter E, Chapter 802.

23 SECTION 11. (a) Sections 11.101, 11.2011, and 130.0831,
24 Education Code, as added by this Act, and Section 802.108,
25 Government Code, as added by this Act, apply beginning January 1,
26 2007. A trustee subject to Section 11.101, Education Code, as added
27 by this Act, a superintendent subject to Section 11.2011, Education

1 Code, as added by this Act, a trustee subject to Section 130.0831,
2 Education Code, as added by this Act, or a trustee subject to
3 Section 802.108, Government Code, as added by this Act, is not
4 required to include financial activity occurring before January 1,
5 2006, in a financial disclosure statement required under Section
6 11.101, 11.2011, or 130.0831, Education Code, as added by this Act,
7 or Section 802.108, Government Code, as added by this Act.

8 (b) Subchapter I, Chapter 11, Education Code, as added by
9 this Act, Subchapter K, Chapter 130, Education Code, as added by
10 this Act, and Subchapter E, Chapter 802, Government Code, as added
11 by this Act, apply beginning January 1, 2006. Not later than
12 November 1, 2005, the Texas Ethics Commission shall design and make
13 available forms for registration and reporting under Subchapter I,
14 Chapter 11, Education Code, as added by this Act, Subchapter K,
15 Chapter 130, Education Code, as added by this Act, and Subchapter E,
16 Chapter 802, Government Code, as added by this Act. The Texas Ethics
17 Commission shall begin accepting registrations under Section
18 11.404, Education Code, as added by this Act, Section 130.254,
19 Education Code, as added by this Act, and Section 802.354,
20 Government Code, as added by this Act, on December 1, 2005.

21 SECTION 12. This Act takes effect September 1, 2005.