

BILL ANALYSIS

C.S.H.B. 2194
By: McCall
Elections
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Under current law, special reports near an election are subject to a \$500 fine if they are submitted late to the Texas Ethics Commission. The requirement to submit daily reports in the eight days leading up an election is triggered by the receipt of a contribution. Because the Ethics Commission has no way of knowing which candidates or committees have received contributions during that time, it is up to the candidate to submit the required reports on a sort of "honor system." If it is discovered they did not submit the reports, or did not submit them on time, the penalty is a one-time \$500 fine.

Some reports, including some submitted near an election, are subject to a much larger fine if they are late. It is necessary to include special reports near an election in the group of reports subject to the larger fine because of the potential for abuse. For example, a candidate could potentially receive a \$10,000 contribution three days before an election and not report it until the election was over, but still be subject to only a \$500 fine. A larger fine would be a deterrent from such behavior.

C.S.H.B. 2194 subjects special reports near an election to a \$500 fine for the first day they are late, and \$100 fine for every day thereafter, with a maximum \$10,000 fine.

RULEMAKING AUTHORITY

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

ANALYSIS

C.S.H.B. 2194 amends the election code by specifying that the Ethics Commission is not required to make a determination or mail a notice that a special report near an election is late, and therefore a person required to file a special report is responsible for filing the report without receiving a notice to that effect from the Ethics Commission.

This bill excludes special reports from the reports subject to a \$500 fine if submitted late. It subjects special reports to a \$500 fine the first day they are late and \$100 every day thereafter, with a maximum fine of \$10,000.

Only reports due on or after the effective date of this act are subject to the provisions of this act.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute makes two non-substantive changes. Both changes lie in SECTION 1 of the substitute. The first change in SECTION 1 simply clarifies the special report as a "special report near election" reflecting the full term used to describe what were formerly called telegram reports. The second change alters the amendment regarding a person's liability for a late report by making it clearer, more readable and more concise.

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