

BILL ANALYSIS

H.B. 2589
By: McCall
Elections
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Under current law, a statement, registration or report filed with the Texas Ethics Commission can be corrected without being subject to a fine if the statement, registration or report is in substantial compliance with applicable law. This statute unintentionally creates a disincentive for filers to voluntarily correct honest mistakes in Ethics Commission reports because it tends to treat corrected reports as if they were late, subjecting them to a fine.

H.B. 2589 clarifies that an error or omission in most reports to the Ethics Commission may be corrected and not considered late as long as the error was made in good faith and corrected not later than the 14th business day after the mistake was discovered. A signed affidavit stating that the error was made in good faith must be included with the correction. This bill repeals some substantial compliance language in the government code because, under this act, most existing references to substantial compliance language are removed.

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

H.B. 2589 amends the Government Code by specifying that a statement, registration, or report that is filed with the Ethics Commission is not considered late for purposes of any applicable civil penalty for late filing as long as the an error or an omission in the statement, registration, or report was made in good faith and as long as the statement, registration, or report is corrected not later than the 14th business day after the discovery of the error or omission was made. When correcting, a filer must submit a corrected or amended version of the statement, registration, or report in question as well as an affidavit stating that the error or omission in the original was made in good faith.

The exemption from a fine does not apply to a report under audit by the Ethics Commission, a report that is subject to a sworn complaint, special reports near an election, and second reports.

This bill states that second reports of an opposed candidate, a specific-purpose committee for supporting or opposing a candidate or measure, or a general-purpose committee involved in election filed with the Ethics Commission are not considered late for the purpose of any applicable civil penalty as long as the report as originally filed substantially complies with law, as long as any error or omission was made in good faith, and not later than 14 business days of discovering the mistake, a corrected or amended report and affidavit stating that the error or omission was made in good faith is filed with the Ethics Commission.

This bill repeals Sections 571.07771 (b-1) and (b-2) of the Government Code.

The changes made by this Act apply only to a report, registration, or statement required to be filed with the Texas Ethics Commission that is due on or after the effective date of this Act.

EFFECTIVE DATE

September 1, 2007.

H.B. 2589 80(R)