

BILL ANALYSIS

C.S.H.B. 343
By: Márquez
Public Education
Committee Report (Substituted)

BACKGROUND AND PURPOSE

State officers and employees file their personal financial statements to uphold certain rules and regulations adopted by the Texas Ethics Commission. Interested parties note that currently, school board members have the option to file personal financial statements, but they point out that school board members handle important matters and should not be influenced by financial perks. The parties maintain that the only interest school board members should have is ensuring that children get the education they deserve. Among other provisions, C.S.H.B. 343 seeks to require a school board member in a certain school district to file a financial statement similar to that required of state officers with the district board of trustees and the commissioners court of the county in which the district's central administrative office is located.

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. 343 amends the Education Code to require each member of the board of trustees of an independent school district located in a county with a population of 800,000 or more that is located on the international border to file a financial statement with the board of trustees and the commissioners court of the county in which the school district's central administrative office is located. The bill makes Government Code provisions governing the contents, timeliness of filing, and public inspection of a personal financial statement applicable to a statement filed by a member of the board of trustees as if the trustee were a state officer and the commissioners court of the county were the Texas Ethics Commission.

C.S.H.B. 343 makes it a Class B misdemeanor offense for a trustee to fail to file the required financial statement. The bill requires the commissioners court of the county to determine from any available evidence whether a statement is late and, on making such a determination, to immediately mail a notice of the determination to the individual responsible for filing the statement. The bill makes the individual responsible for filing a statement liable to the county for a civil penalty of \$500 if the statement is determined to be late. The bill requires the commissioners court, if a statement is more than 30 days late, to issue a warning of liability by registered mail to the individual responsible for the filing. The bill makes the individual liable for a civil penalty in an amount determined by the commissioners court, but not to exceed \$10,000, if the \$500 penalty is not paid before the 10th day after the date on which the warning is received.

C.S.H.B. 343 specifies that a trustee is not required to include financial activity occurring before January 1, 2014, in a required financial statement. The bill's provisions apply beginning January 1, 2015.

EFFECTIVE DATE

January 1, 2014.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 343 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Sections 11.064(a), (b), and (c), Education Code, are amended to read as follows:

No equivalent provision, but see added Sec. 11.0641, Education Code, in SECTION 2 below.

(a) Each member of the [The] board of trustees of an independent school district shall [by resolution adopted by majority vote may require each member of the board to] file the financial statement required of state officers under Subchapter B, Chapter 572, Government Code, with:

- (1) the board of trustees; and
- (2) the Texas Ethics Commission.

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

- (1) applies to a trustee [subject to this section] as if the trustee were a state officer; and
- (2) governs the contents, timeliness of filing, and public inspection of a statement filed under this section.

(c) A trustee [serving in a school district that has adopted a resolution under Subsection (a) or that is subject to an order issued under Subsection (a-3)] commits an offense if the trustee fails to file the statement required by this section [the resolution or order]. An offense under this section is a Class B misdemeanor.

SECTION 2. Sections 11.064(a-1), (a-2), (a-3), and (a-4), Education Code, are repealed.

No equivalent provision.

No equivalent provision.

SECTION 1. Section 11.064, Education Code, is amended by adding Subsection (d) to read as follows:

(d) This section does not apply to the board of trustees of an independent school district to which Section 11.0641 applies.

No equivalent provision, but see amended Sec. 11.064, Education Code, in SECTION 1 above.

SECTION 2. Subchapter C, Chapter 11, Education Code, is amended by adding Section 11.0641 to read as follows:

Sec. 11.0641. FILING OF FINANCIAL STATEMENT BY TRUSTEE REQUIRED FOR CERTAIN SCHOOL DISTRICTS. (a) This section applies only to the board of trustees of an independent school district that is located in a county with a population of 800,000 or more that is located on the international border.

(b) Each member of the board of trustees of an independent school district shall file a financial statement with:

(1) the board of trustees; and

(2) the commissioners court of the county in which the school district's central administrative office is located.

(c) The provisions of Subchapter B, Chapter 572, Government Code, governing the contents, timeliness of filing, and public inspection of a statement apply to a statement filed under this section as if the trustee were a state officer and the commissioners court of the county were the Texas Ethics Commission.

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

(e) The commissioners court of the county shall determine from any available evidence whether a statement required to be filed under this section is late. On making a determination that the statement is late, the commissioners court shall immediately mail a notice of the determination to the individual responsible for filing the statement. If a statement is determined to be late, the individual responsible for filing the statement is liable to the county for a civil penalty of \$500. If a statement is more than 30 days late, the commissioners court shall issue a warning of liability by registered mail to the individual responsible for the filing. If the penalty is not paid before the 10th day after the date on which the warning is received, the individual is liable for a civil penalty in an amount determined by the commissioners court, but not to exceed \$10,000.

SECTION 3. (a) The changes in law made by this Act to Section 11.064, Education Code, apply beginning January 1, 2015. A trustee who, before the effective date of this Act, was not required to file a financial statement under Section 11.064, Education

SECTION 3. (a) Section 11.0641, Education Code, as added by this Act, applies beginning January 1, 2015. A trustee is not required to include financial activity occurring before January 1, 2014, in a statement filed under that section.

Code, is not required to include financial activity occurring before January 1, 2014, in a statement filed under that section.

(b) The change in law made by this Act applies only to an offense committed on or after January 1, 2014. For purposes of this section, an offense is committed before January 1, 2014, if any element of the offense occurs before that date.

(c) An offense committed before January 1, 2014, is covered by the law in effect when the offense was committed, and the former law is continued in effect for that purpose.

SECTION 4. This Act takes effect January 1, 2014.

(b) The change in law made by this Act applies only to an offense committed on or after January 1, 2014. For purposes of this section, an offense is committed before January 1, 2014, if any element of the offense occurs before that date.

(c) An offense committed before January 1, 2014, is covered by the law in effect when the offense was committed, and the former law is continued in effect for that purpose.

SECTION 4. Same as introduced version.