

By: Bonnen of Brazoria

H.B. No. 2737

A BILL TO BE ENTITLED

AN ACT

1
2 relating to ethics of public servants, including the functions and
3 duties of the Texas Ethics Commission; the regulation of political
4 contributions, political advertising, lobbying, and conduct of
5 public servants; and the reporting of political contributions and
6 expenditures and personal financial information; providing civil
7 and criminal penalties.

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

9 ARTICLE 1. NOTIFICATION PROCEDURES OF TEXAS ETHICS COMMISSION

10 SECTION 1.01. Subchapter A, Chapter 571, Government Code,
11 is amended by adding Section 571.033 to read as follows:

12 Sec. 571.033. NOTIFICATION PROCEDURES. The commission
13 shall adopt rules prescribing how the commission will notify any
14 person or provide any notice required by this subtitle, Chapter
15 305, or Title 15, Election Code.

16 ARTICLE 2. INQUIRY PROCEDURES AND HEARINGS AND ENFORCEMENT

17 ACTIVITIES OF TEXAS ETHICS COMMISSION

18 SECTION 2.01. Section 571.002(2), Government Code, is
19 amended to read as follows:

20 (2) "Complainant" means an individual who files an
21 inquiry [~~a sworn complaint~~] with the commission.

22 SECTION 2.02. Section 571.027(a), Government Code, is
23 amended to read as follows:

24 (a) A member of the commission may not participate in a

1 commission proceeding relating to any of the following actions if
2 the member is the subject of the action:

- 3 (1) a formal investigation by the commission;
- 4 (2) an inquiry [~~a sworn complaint~~] filed with the
5 commission; or
- 6 (3) a motion adopted by vote of at least six members of
7 the commission.

8 SECTION 2.03. Sections 571.069(b) and (f), Government Code,
9 are amended to read as follows:

10 (b) The commission may by a vote of at least six commission
11 members undertake [~~initiate~~] a preliminary review as provided by
12 Section 571.124 or perform a complete audit of a statement or
13 report:

14 (1) if, before the 31st day after the date the
15 statement or report was originally due, the executive director does
16 not obtain from the person information that permits the executive
17 director to determine that the statement or report complies with
18 law;

19 (2) if a statement or report returned for resubmission
20 is not resubmitted within the time prescribed by Subsection (a); or

21 (3) on an affirmative vote of at least six commission
22 members that a statement or report resubmitted under Subsection
23 (a), together with any corrections or additional documentation,
24 does not, in the opinion of the commission, comply with the law
25 requiring the statement or report.

26 (f) This section may not be construed as limiting or
27 affecting the commission's authority to, on the filing of a motion

1 or receipt of an inquiry [~~a sworn complaint~~], review or investigate
2 the sufficiency of a statement or report.

3 SECTION 2.04. Section 571.073, Government Code, is amended
4 to read as follows:

5 Sec. 571.073. REPORT. On or before December 31 of each
6 even-numbered year, the commission shall report to the governor and
7 legislature. The report must include:

8 (1) each advisory opinion issued by the commission
9 under Subchapter D in the preceding two years;

10 (2) a summary of commission activities in the
11 preceding two years, including:

12 (A) the number of inquiries [~~sworn complaints~~]
13 filed with the commission;

14 (B) the number of inquiries [~~sworn complaints~~]
15 dismissed for noncompliance with statutory form requirements;

16 (C) the number of inquiries [~~sworn complaints~~]
17 dismissed for lack of jurisdiction;

18 (D) the number of inquiries [~~sworn complaints~~]
19 dismissed after a finding of no credible evidence of a violation;

20 (E) the number of inquiries [~~sworn complaints~~]
21 dismissed after a finding of a lack of sufficient evidence to
22 determine whether a violation within the jurisdiction of the
23 commission has occurred;

24 (F) the number of inquiries [~~sworn complaints~~]
25 resolved by the commission through an agreed decision [~~order~~];

26 (G) the number of inquiries [~~sworn complaints~~] in
27 which the commission issued a decision [~~an order~~] finding a

1 violation and the resulting penalties, if any; and

2 (H) the number and amount of civil penalties
3 imposed for failure to timely file a statement or report, the number
4 and amount of those civil penalties fully paid, the number and
5 amount of those civil penalties partially paid, and the number and
6 amount of those civil penalties no part of which has been paid, for
7 each of the following category of statements and reports, listed
8 separately:

9 (i) financial statements required to be
10 filed under Chapter 572;

11 (ii) political contribution and
12 expenditure reports required to be filed under Section 254.063,
13 254.093, 254.123, 254.153, or 254.157, Election Code;

14 (iii) political contribution and
15 expenditure reports required to be filed under Section 254.064(b),
16 254.124(b), or 254.154(b), Election Code;

17 (iv) political contribution and
18 expenditure reports required to be filed under Section 254.064(c),
19 254.124(c), or 254.154(c), Election Code;

20 (v) political contribution and expenditure
21 reports required to be filed under Section 254.038 or 254.039,
22 Election Code; and

23 (vi) political contribution and
24 expenditure reports required to be filed under Section 254.0391,
25 Election Code; and

26 (3) recommendations for any necessary statutory
27 changes.

1 SECTION 2.05. Section 571.076, Government Code, is amended
2 to read as follows:

3 Sec. 571.076. CONTRACT FOR ADMINISTRATION. The commission
4 may contract with persons to administer and carry out this chapter
5 and rules, standards, ~~and~~ orders, and decisions adopted under
6 this chapter, excluding any enforcement authority.

7 SECTION 2.06. The heading to Subchapter E, Chapter 571,
8 Government Code, is amended to read as follows:

9 SUBCHAPTER E. INQUIRY ~~[COMPLAINT]~~ PROCEDURES AND HEARINGS

10 SECTION 2.07. Section 571.121, Government Code, is amended
11 to read as follows:

12 Sec. 571.121. GENERAL POWERS. (a) The commission may:

13 (1) hold hearings, on its own motion adopted by an
14 affirmative vote of at least six commission members or on an inquiry
15 ~~[a sworn complaint]~~, and render decisions on inquiries ~~[complaints]~~
16 or reports of violations as provided by this chapter; and

17 (2) agree to the settlement of issues.

18 (b) The commission may not consider an inquiry ~~[a complaint]~~
19 or vote to investigate a matter outside the commission's
20 jurisdiction.

21 SECTION 2.08. Section 571.1211, Government Code, is amended
22 to read as follows:

23 Sec. 571.1211. DEFINITIONS. In this subchapter, "campaign
24 ~~[a~~

25 ~~(1) "Campaign~~ communication" and "political
26 advertising" have the meanings assigned by Section 251.001,
27 Election Code.

1 ~~[(2) "Category One violation" means a violation of a~~
2 ~~law within jurisdiction of the commission as to which it is~~
3 ~~generally not difficult to ascertain whether the violation occurred~~
4 ~~or did not occur, including:~~

5 ~~[(A) the failure by a person required to file a~~
6 ~~statement or report to:~~

7 ~~[(i) file the required statement or report~~
8 ~~in a manner that complies with applicable requirements; or~~

9 ~~[(ii) timely file the required statement or~~
10 ~~report;~~

11 ~~[(B) a violation of Section 255.001, Election~~
12 ~~Code;~~

13 ~~[(C) a misrepresentation in political~~
14 ~~advertising or a campaign communication relating to the office held~~
15 ~~by a person in violation of Section 255.006, Election Code;~~

16 ~~[(D) a failure to include in any written~~
17 ~~political advertising intended to be seen from a road the~~
18 ~~right-of-way notice in violation of Section 255.007, Election Code;~~
19 ~~or~~

20 ~~[(E) a failure to timely respond to a written~~
21 ~~notice under Section 571.123(b).~~

22 ~~[(3) "Category Two violation" means a violation of a~~
23 ~~law within the jurisdiction of the commission that is not a Category~~
24 ~~One violation.]~~

25 SECTION 2.09. Subchapter E, Chapter 571, Government Code,
26 is amended by adding Section 571.1213 to read as follows:

27 Sec. 571.1213. CATEGORIZATION OF VIOLATIONS. (a) The

1 commission staff shall categorize, in ascending order of
2 seriousness, each violation of law alleged in an inquiry or on a
3 motion of the commission as:

- 4 (1) a technical, clerical, or de minimis violation;
5 (2) an administrative or filing violation; or
6 (3) a more serious violation.

7 (b) The commission shall adopt rules defining what
8 violations of law are included in each category of violation.

9 SECTION 2.10. Subchapter E, Chapter 571, Government Code,
10 is amended by adding Section 571.1214 to read as follows:

11 Sec. 571.1214. RESOLUTION OF VIOLATIONS. (a) The
12 commission staff and the commission shall resolve an inquiry or
13 motion in the form corresponding to the most serious category of
14 violation alleged in the inquiry or motion as provided in this
15 section.

16 (b) An inquiry or motion alleging a technical, clerical, or
17 de minimis violation must be resolved in a letter of
18 acknowledgment.

19 (c) An inquiry or motion alleging an administrative or
20 filing violation must be resolved in a notice of administrative or
21 filing error.

22 (d) An inquiry or motion alleging a more serious violation
23 must be resolved in a notice of violation.

24 SECTION 2.11. Section 571.122, Government Code, as amended
25 by Chapters 604 (H.B. 677) and 1166 (H.B. 3218), Acts of the 81st
26 Legislature, Regular Session, 2009, is amended to read as follows:

27 Sec. 571.122. FILING OF INQUIRY [~~COMPLAINT~~]; CONTENTS.

1 (a) An individual may file with the commission an inquiry [~~a sworn~~
2 ~~complaint~~] alleging that a person subject to a law administered and
3 enforced by the commission has violated a rule adopted by or a law
4 administered and enforced by the commission. An inquiry [~~A sworn~~
5 ~~complaint~~] must be filed on a form prescribed by the
6 commission. The commission shall make the inquiry [~~complaint~~]
7 form available on the Internet. The form prescribed by the
8 commission must require the complainant to provide the following
9 information for both the complainant and the respondent:

- 10 (1) the person's name;
- 11 (2) the person's telephone number;
- 12 (3) the person's electronic mail address, if known;
- 13 and
- 14 (4) the physical address of the person's home or
15 business.

16 (b) An inquiry [~~A complaint~~] filed under this section must
17 be in writing and under oath and must set forth in simple, concise,
18 and direct statements:

- 19 (1) the name of the complainant;
- 20 (2) the street or mailing address of the complainant;
- 21 (3) the name of each respondent;
- 22 (4) the position or title of each respondent;
- 23 (5) the nature of the alleged violation, including if
24 possible the specific rule or provision of law alleged to have been
25 violated;
- 26 (6) a statement of the facts constituting the alleged
27 violation and the dates on which or period of time in which the

1 alleged violation occurred; and

2 (7) all documents or other material available to the
3 complainant that are relevant to the allegation, a list of all
4 documents or other material within the knowledge of the complainant
5 and available to the complainant that are relevant to the
6 allegation but that are not in the possession of the complainant,
7 including the location of the documents, if known, and a list of all
8 documents or other material within the knowledge of the complainant
9 that are unavailable to the complainant and that are relevant to the
10 inquiry [~~complaint~~], including the location of the documents, if
11 known.

12 (b-1) An individual must be a resident of this state to be
13 eligible to file an inquiry [~~a sworn complaint~~] with the
14 commission. A copy of one of the following documents must be
15 attached to the inquiry [~~complaint~~]:

16 (1) the complainant's driver's license or personal
17 identification certificate issued under Chapter 521,
18 Transportation Code, or commercial driver's license issued under
19 Chapter 522, Transportation Code; or

20 (2) a utility bill, bank statement, government check,
21 paycheck, or other government document that:

22 (A) shows the name and address of the
23 complainant; and

24 (B) is dated not more than 30 days before the date
25 on which the inquiry [~~complaint~~] is filed.

26 **(b-2)** [~~(b-1)~~] To be eligible to file an inquiry [~~a sworn~~
27 ~~complaint~~] with the commission, an individual must be a resident of

1 this state or must own real property in this state. A copy of one
2 of the following documents must be attached to the inquiry
3 [~~complaint~~]:

4 (1) the complainant's driver's license or personal
5 identification certificate issued under Chapter 521,
6 Transportation Code, or commercial driver's license issued under
7 Chapter 522, Transportation Code;

8 (2) a utility bill, bank statement, government check,
9 paycheck, or other government document that:

10 (A) shows the name and address of the
11 complainant; and

12 (B) is dated not more than 30 days before the date
13 on which the inquiry [~~complaint~~] is filed; or

14 (3) a property tax bill, notice of appraised value, or
15 other government document that:

16 (A) shows the name of the complainant;

17 (B) shows the address of real property in this
18 state; and

19 (C) identifies the complainant as the owner of
20 the real property.

21 (c) The inquiry [~~complaint~~] must be accompanied by an
22 affidavit stating that the information contained in the inquiry
23 [~~complaint~~] is either correct or that the complainant has good
24 reason to believe and does believe that the violation occurred. If
25 the inquiry [~~complaint~~] is based on information and belief, the
26 inquiry [~~complaint~~] shall state the source and basis of the
27 information and belief. The complainant may swear to the facts by

1 oath before a notary public or other authorized official.

2 (d) The inquiry [~~complaint~~] must state on its face an
3 allegation that, if true, constitutes a violation of a rule adopted
4 by or a law administered and enforced by the commission.

5 (e) It is not a valid basis of an inquiry [~~a complaint~~] to
6 allege that a report required under Chapter 254, Election Code,
7 contains the improper name or address of a person from whom a
8 political contribution was received if the name or address in the
9 report is the same as the name or address that appears on the check
10 for the political contribution.

11 SECTION 2.12. Section 571.1221, Government Code, is amended
12 to read as follows:

13 Sec. 571.1221. DISMISSAL OF INQUIRY [~~COMPLAINT~~] FILED AT
14 DIRECTION OR URGING OF NONRESIDENT. At any stage of a proceeding
15 under this subchapter, the commission shall dismiss the inquiry
16 [~~complaint~~] if the commission determines that the inquiry
17 [~~complaint~~] was filed at the direction or urging of a person who is
18 not a resident of this state.

19 SECTION 2.13. Section 571.1222, Government Code, is amended
20 to read as follows:

21 Sec. 571.1222. DISMISSAL OF INQUIRY [~~COMPLAINT~~]
22 CHALLENGING CERTAIN INFORMATION IN POLITICAL REPORT. At any stage
23 of a proceeding under this subchapter, the commission shall dismiss
24 an inquiry [~~a complaint~~] to the extent the inquiry [~~complaint~~]
25 alleges that a report required under Chapter 254, Election Code,
26 contains the improper name or address of a person from whom a
27 political contribution was received if the name or address in the

1 report is the same as the name or address that appears on the check
2 for the political contribution.

3 SECTION 2.14. Section 571.123, Government Code, is amended
4 to read as follows:

5 Sec. 571.123. PROCESSING OF INQUIRY [~~COMPLAINT~~]. (a) The
6 commission shall determine whether an inquiry [~~a sworn complaint~~]
7 filed with the commission complies with the form requirements of
8 Section 571.122.

9 (a-1) [~~(b)~~] After an inquiry [~~a complaint~~] is filed, the
10 commission shall immediately attempt to contact and notify the
11 respondent of the inquiry [~~complaint by telephone or electronic~~
12 ~~mail~~].

13 (b) Not later than the fifth business day after the date an
14 inquiry [~~a complaint~~] is filed, the commission shall notify [~~send~~
15 ~~written notice to~~] the complainant and the respondent as to [~~The~~
16 ~~written notice to the complainant and the respondent must~~]:

17 (1) [~~state~~] whether the inquiry [~~complaint~~] complies
18 with the form requirements of Section 571.122; and

19 (2) if the respondent is a candidate or officeholder,
20 [~~state~~] the procedure by which the respondent may designate an
21 agent with whom commission staff may discuss the inquiry
22 [~~complaint, and~~

23 [~~(3) if applicable, include the information required~~
24 ~~by Section 571.124(e)~~].

25 (c) If the commission determines that the inquiry
26 [~~complaint~~] does not comply with the form requirements, the
27 commission shall return [~~send~~] the inquiry [~~complaint~~] to the

1 complainant with [~~the written notice,~~] a statement explaining how
2 the inquiry [~~complaint~~] fails to comply[~~,~~] and a copy of the rules
3 for filing inquiries [~~sworn complaints~~]. The commission shall
4 provide [~~send~~] a copy of the rejected inquiry [~~complaint~~] to the
5 respondent with [~~the written notice and~~] the statement explaining
6 how the inquiry [~~complaint~~] fails to comply. The complainant may
7 resubmit the inquiry [~~complaint~~] not later than the 21st day after
8 the date the complainant is notified [~~notice~~] under Subsection (b)
9 [~~is mailed~~]. If the commission determines that the inquiry
10 [~~complaint~~] is not resubmitted within the 21-day period, the
11 commission shall:

12 (1) dismiss the inquiry [~~complaint~~]; and
13 (2) not later than the fifth business day after the
14 date of the dismissal, notify [~~send written notice to~~] the
15 complainant and the respondent of the dismissal and the grounds for
16 dismissal.

17 (d) If the commission determines that an inquiry [~~a~~
18 ~~complaint~~] is resubmitted under Subsection (c) within the 21-day
19 period but is not in proper form, the commission shall return the
20 inquiry to the complainant as provided in [~~send the notice required~~
21 ~~under~~] Subsection (c), and the complainant may resubmit the inquiry
22 [~~complaint~~] under that subsection.

23 (e) If the commission determines that an inquiry [~~a~~
24 ~~complaint~~] returned to the complainant under Subsection (c) or (d)
25 is resubmitted within the 21-day period and that the inquiry
26 [~~complaint~~] complies with the form requirements, the commission
27 shall notify the complainant and respondent [~~send the written~~

1 ~~notice~~] under Subsection (b).

2 SECTION 2.15. Section 571.1231(b), Government Code, is
3 amended to read as follows:

4 (b) A respondent to an inquiry [~~a complaint~~] filed against
5 the respondent may by writing submitted to the commission designate
6 an agent with whom the commission staff may communicate regarding
7 the inquiry [~~complaint~~].

8 SECTION 2.16. Section 571.124, Government Code, is amended
9 to read as follows:

10 Sec. 571.124. PRELIMINARY REVIEW: INITIATION. (a) The
11 commission staff shall promptly conduct a preliminary review on
12 receipt of a written inquiry [~~complaint~~] that is in compliance with
13 the form requirements of Section 571.122.

14 (b) On a motion adopted by an affirmative vote of at least
15 six commission members, the commission staff, without an inquiry [~~a
16 sworn complaint~~], may undertake [~~initiate~~] a preliminary review of
17 the matter that is the subject of the motion.

18 (c) The executive director shall determine in writing
19 whether the commission has jurisdiction over the violation of law
20 alleged in an inquiry [~~a sworn complaint~~] processed under Section
21 571.123.

22 (e) If the executive director determines that the
23 commission has jurisdiction, the notification [~~notice~~] under
24 Section 571.123(b) must include:

25 (1) a statement that the commission has jurisdiction
26 over the violation of law alleged in the inquiry [~~complaint~~];

27 (2) a statement of whether the inquiry [~~complaint~~]

1 will be processed as a technical, clerical, or de minimis
2 violation, an administrative or filing violation, or a more serious
3 violation [~~Category One violation or a Category Two violation,~~
4 ~~subject to reconsideration as provided for by Section 571.1212~~];

5 (3) the date by which the respondent is required to
6 respond to the notification [~~notice~~];

7 (4) a copy of the inquiry [~~complaint~~] and the rules of
8 procedure of the commission;

9 (5) a statement of the rights of the respondent;

10 (6) a statement inviting the respondent to provide to
11 the commission any information relevant to the inquiry [~~complaint~~];
12 and

13 (7) a statement that a failure to timely respond to the
14 notification [~~notice~~] will be treated as a separate violation.

15 (f) If the executive director determines that the
16 commission does not have jurisdiction over the violation alleged in
17 the inquiry [~~complaint~~], the executive director shall:

18 (1) dismiss the inquiry [~~complaint~~]; and

19 (2) not later than the fifth business day after the
20 date of the dismissal, notify [~~send to~~] the complainant and the
21 respondent [~~written notice~~] of the dismissal and the grounds for
22 the dismissal.

23 SECTION 2.17. Sections 571.1241(a) and (c), Government
24 Code, are amended to read as follows:

25 (a) If the executive director determines that the
26 commission does not have jurisdiction over the violation alleged in
27 the inquiry [~~complaint~~], the complainant may request that the

1 commission review the determination. A request for review under
2 this section must be filed not later than the 30th day after the
3 date the complainant receives the executive director's
4 determination.

5 (c) Not later than the fifth business day after the date of
6 the commission's determination under this section, the commission
7 shall notify [~~send written notice to~~] the complainant and the
8 respondent as to [~~stating~~] whether the commission has jurisdiction
9 over the violation alleged in the inquiry [~~complaint~~]. If the
10 commission determines that the commission has jurisdiction, the
11 notification [~~notice~~] must include the items listed in Section
12 571.124(e).

13 SECTION 2.18. Section 571.1242, Government Code, is amended
14 to read as follows:

15 Sec. 571.1242. PRELIMINARY REVIEW: RESPONSE BY RESPONDENT.

16 (a) If the alleged violation is a technical, clerical, or de
17 minimis [~~Category One~~] violation:

18 (1) the respondent must respond to the notification
19 [~~notice~~] required by Section 571.123(b) not later than the 10th
20 business day after the date the respondent is notified [~~receives~~
21 ~~the notice~~]; and

22 (2) if the matter is not resolved by agreement between
23 the commission and the respondent before the 30th business day
24 after the date the respondent is notified [~~receives the notice~~]
25 under Section 571.123(b), the commission shall set the matter for a
26 preliminary review hearing [~~to be held at the next commission~~
27 ~~meeting for which notice has not yet been posted~~].

1 (b) If the alleged violation is an administrative or filing
2 violation or a more serious [~~a Category Two~~] violation:

3 (1) the respondent must respond to the notification
4 [~~notice~~] required by Section 571.123(b) not later than the 25th
5 business day after the date the respondent is notified [~~receives~~
6 ~~the notice~~] under Section 571.123(b); and

7 (2) if the matter is not resolved by agreement between
8 the commission and the respondent before the 75th business day
9 after the date the respondent is notified [~~receives the notice~~]
10 under Section 571.123(b), the commission shall set the matter for a
11 preliminary review hearing [~~to be held at the next commission~~
12 ~~meeting for which notice has not yet been posted~~].

13 (c) A respondent's failure to timely respond as required by
14 Subsection (a)(1) or (b)(1) is a [~~Category One~~] violation.

15 (d) The response required to the notification under Section
16 571.123(b) [~~by Subsection (a) or (b)~~] must include any challenge
17 the respondent seeks to raise to the commission's exercise of
18 jurisdiction. In addition, the respondent may:

19 (1) acknowledge the occurrence or commission of a
20 violation;

21 (2) deny the allegations contained in the inquiry
22 [~~complaint~~] and provide evidence supporting the denial; or

23 (3) agree to enter into a letter of acknowledgment [~~an~~
24 ~~assurance of voluntary compliance~~] or other agreed decision
25 [~~order~~], which may include an agreement to immediately cease and
26 desist.

27 [~~(e) If the commission sets the matter for a preliminary~~

1 ~~review hearing, the commission shall promptly send to the~~
2 ~~complainant and the respondent written notice of the date, time,~~
3 ~~and place of the preliminary review hearing.]~~

4 SECTION 2.19. Subchapter E, Chapter 571, Government Code,
5 is amended by adding Section 571.12421 to read as follows:

6 Sec. 571.12421. PRELIMINARY REVIEW: PROCEDURE. (a) The
7 commission shall adopt procedures by rule for the conduct of:

8 (1) a preliminary review of an inquiry or motion that
9 alleges a technical, clerical, or de minimis violation;

10 (2) a preliminary review of an inquiry or motion that
11 alleges an administrative or filing violation; and

12 (3) a preliminary review of an inquiry or motion that
13 alleges a more serious violation.

14 (b) If an inquiry or motion alleges violations of different
15 categories, the commission staff shall conduct a preliminary review
16 of the inquiry or motion according to the procedure for the most
17 serious category of violation alleged in the inquiry or motion.

18 (c) If, in the course of conducting a preliminary review,
19 the commission staff determines that the violation alleged in the
20 inquiry or motion was initially categorized incorrectly, the
21 commission staff shall continue conducting the preliminary review
22 according to the procedure for the correct category of violation.

23 (d) If an inquiry or motion alleges more than one violation,
24 the commission staff may conduct a single preliminary review of the
25 alleged violations or conduct a separate preliminary review for
26 each violation.

27 SECTION 2.20. Subchapter E, Chapter 571, Government Code,

1 is amended by adding Section 571.12431 to read as follows:

2 Sec. 571.12431. PRELIMINARY REVIEW: RESOLUTION. (a) After
3 conducting a preliminary review of an inquiry or motion, the
4 commission staff shall propose a resolution of the inquiry or
5 motion to the respondent in the form corresponding to the category
6 of violation alleged in the inquiry or motion or, if the inquiry or
7 motion alleges multiple violations, in the form corresponding to
8 the most serious category of violation.

9 (b) Except as provided by other law or commission rule, if
10 the respondent accepts the resolution, the commission staff shall
11 submit to the commission for approval the letter of acknowledgment,
12 notice of administrative or filing error, or notice of violation in
13 which the resolution was proposed to the respondent.

14 (c) If the respondent rejects the resolution, the
15 commission shall set the inquiry or motion for a preliminary review
16 hearing.

17 SECTION 2.21. Section 571.1244, Government Code, is amended
18 to read as follows:

19 Sec. 571.1244. PRELIMINARY REVIEW AND PRELIMINARY REVIEW
20 HEARING PROCEDURES. (a) The commission shall adopt procedures for
21 the conduct of preliminary reviews and preliminary review hearings.
22 The procedures must include:

23 (1) a reasonable time for responding to questions
24 submitted by the commission and commission staff and subpoenas
25 issued by the commission; and

26 (2) the tolling or extension of otherwise applicable
27 deadlines where:

1 (A) the commission issues a subpoena and the
2 commission's meeting schedule makes it impossible both to provide a
3 reasonable time for response and to comply with the otherwise
4 applicable deadlines; or

5 (B) the commission determines that, despite
6 commission staff's diligence and the reasonable cooperation of the
7 respondent, a matter is too complex to resolve within the otherwise
8 applicable deadlines without compromising either the commission
9 staff's investigation or the rights of the respondent.

10 (b) The commission by rule shall adopt procedures for the
11 commission's review of a letter of acknowledgment, a notice of
12 administrative or filing error, or a notice of violation submitted
13 to the commission under Section 571.12431(b) or 571.126(f).

14 (c) The commission by rule shall adopt procedures for the
15 disposition of an inquiry or motion if the respondent does not
16 respond to a resolution of the inquiry or motion proposed to the
17 respondent under Section 571.12431 or 571.126.

18 SECTION 2.22. Section 571.125, Government Code, is amended
19 to read as follows:

20 Sec. 571.125. PRELIMINARY REVIEW HEARING: PROCEDURE. (a)
21 A panel of two members of the [~~The~~] commission shall conduct a
22 preliminary review hearing if:

23 (1) following the preliminary review, the [~~commission~~
24 ~~and the~~] respondent does not [~~cannot~~] agree to the resolution of the
25 inquiry or motion proposed by the commission staff [~~disposition of~~
26 ~~the complaint or motion~~]; or

27 (2) the respondent in writing requests a hearing.

1 (b) The commission shall notify [~~provide written notice to~~]
2 the complainant, if any, and the respondent of the date, time, and
3 place the panel [~~commission~~] will conduct the preliminary review
4 hearing.

5 (c) At or after the time the commission notifies the
6 complainant, if any, and the respondent [~~provides notice~~] of a
7 preliminary review hearing, the commission may submit to the
8 complainant and the respondent written questions and require those
9 questions to be answered under oath within a reasonable time.

10 (d) During a preliminary review hearing, the panel
11 [~~commission~~]:

12 (1) may consider all submitted evidence related to the
13 inquiry [~~complaint~~] or to the subject matter of a motion under
14 Section 571.124(b);

15 (2) may review any documents or material related to
16 the inquiry [~~complaint~~] or to the motion; and

17 (3) shall determine whether there is credible evidence
18 that provides cause for the panel [~~commission~~] to conclude that a
19 violation within the jurisdiction of the commission has occurred.

20 (e) During a preliminary review hearing, the respondent may
21 appear before the panel [~~commission~~] with the assistance of
22 counsel, if desired by the respondent, and present any relevant
23 evidence, including a written statement.

24 SECTION 2.23. Subchapter E, Chapter 571, Government Code,
25 is amended by adding Section 571.1251 to read as follows:

26 Sec. 571.1251. SELECTION OF PANEL TO CONDUCT PRELIMINARY
27 REVIEW HEARING. The commission shall adopt rules for the selection

1 of members of the commission to serve on panels to conduct
2 preliminary review hearings. The rules shall ensure that:

3 (1) a panel is composed of two members of the
4 commission; and

5 (2) each member of the panel is a member of a different
6 political party.

7 SECTION 2.24. Section 571.126, Government Code, is amended
8 to read as follows:

9 Sec. 571.126. PRELIMINARY REVIEW HEARING: RESOLUTION. (a)
10 Except as provided in Subsection (e), as [As] soon as practicable
11 after the completion of a preliminary review hearing, the panel
12 [~~commission~~] by vote shall issue a decision stating:

13 (1) whether there is credible evidence for the panel
14 [~~commission~~] to determine that a violation within the jurisdiction
15 of the commission has occurred and whether the violation is a
16 technical, clerical, or de minimis violation, an administrative or
17 filing violation, or a more serious violation; or

18 (2) that there is insufficient evidence for the panel
19 [~~commission~~] to determine whether a violation within the
20 jurisdiction of the commission has occurred.

21 (b) If the panel [~~commission~~] determines that there is
22 credible evidence for the panel [~~commission~~] to determine that a
23 violation within the jurisdiction of the commission has occurred,
24 the panel [~~commission~~] shall prepare a resolution of the inquiry or
25 motion to propose to the respondent [~~resolve and settle the~~
26 ~~complaint or motion~~] to the extent possible. If the panel
27 [~~commission~~] successfully prepares a resolution [~~resolves and~~

1 ~~settles the complaint or motion~~], not later than the fifth business
2 day after the date the panel prepares the resolution [~~of the final~~
3 ~~resolution of the complaint or motion~~], the commission shall
4 provide [~~send to~~] the complainant, if any, and the respondent a copy
5 of the decision stating the panel's [~~commission's~~] determination
6 and the panel's proposed resolution of the inquiry or motion in the
7 appropriate form [~~written notice of the resolution and the terms of~~
8 ~~the resolution~~]. If the panel [~~commission~~] is unsuccessful in
9 preparing a resolution or the respondent rejects the resolution
10 [~~resolving and settling the complaint or motion~~], the panel
11 [~~commission~~] shall:

12 (1) order a formal hearing to be held in accordance
13 with Sections 571.127 [~~571.129~~] through 571.132; and

14 (2) not later than the fifth business day after, as
15 applicable, the date the panel determines that there is credible
16 evidence to determine that a violation has occurred or the date the
17 respondent rejects a resolution prepared by the panel, provide [~~of~~
18 ~~the decision, send to~~] the complainant, if any, and the respondent
19 with:

20 (A) a copy of the decision;

21 (B) [~~written~~] notice of the date, time, and place
22 of the formal hearing;

23 (C) a statement of the nature of the alleged
24 violation;

25 (D) a description of the evidence of the alleged
26 violation;

27 (E) a copy of the inquiry [~~complaint~~] or motion;

1 (F) a copy of the commission's rules of
2 procedure; and

3 (G) a statement of the rights of the respondent.

4 (c) If the panel [~~commission~~] determines that there is
5 credible evidence for the panel [~~commission~~] to determine that a
6 violation within the jurisdiction of the commission has not
7 occurred[~~, the commission shall~~]:

8 (1) the panel shall dismiss the inquiry [~~complaint~~] or
9 motion; and

10 (2) the commission shall, not later than the fifth
11 business day after the date of the dismissal, provide [~~send to~~] the
12 complainant, if any, and the respondent with a copy of the decision
13 stating the panel's [~~commission's~~] determination and [~~written~~]
14 notice of the dismissal and the grounds for dismissal.

15 (d) If the panel [~~commission~~] determines that there is
16 insufficient credible evidence for the panel [~~commission~~] to
17 determine that a violation within the jurisdiction of the
18 commission has occurred, the panel [~~commission~~] may dismiss the
19 inquiry [~~complaint~~] or motion or promptly order [~~conduct~~] a formal
20 hearing to be held under Sections 571.127 [~~571.129~~] through
21 571.132. Not later than the fifth business day after the date of
22 the panel's [~~commission's~~] determination under this subsection, the
23 commission shall provide [~~send to~~] the complainant, if any, and the
24 respondent with a copy of the decision stating the panel's
25 [~~commission's~~] determination and [~~written~~] notice of the grounds
26 for the determination.

27 (e) If, because of a tie vote, the panel cannot issue a

1 decision under Subsection (a), the panel shall order a formal
2 hearing to be held under Sections 571.127 through 571.132. Not
3 later than the fifth business day after the date of the vote, the
4 commission shall notify the complainant, if any, and the respondent
5 of the date, time, and place of the hearing.

6 (f) Except as provided by other law or commission rule, if
7 the respondent accepts the resolution in Subsection (b), the panel
8 shall submit to the commission for approval the letter of
9 acknowledgment, notice of administrative or filing error, or notice
10 of violation in which the resolution was proposed to the
11 respondent.

12 SECTION 2.25. Subchapter E, Chapter 571, Government Code,
13 is amended by adding Section 571.127 to read as follows:

14 Sec. 571.127. FORMAL HEARING: CONDUCT. The commission may
15 conduct a formal hearing under this subchapter or may delegate to
16 the State Office of Administrative Hearings the responsibility of
17 conducting a formal hearing under this subchapter.

18 SECTION 2.26. Sections 571.132(a) and (c), Government Code,
19 are amended to read as follows:

20 (a) Not later than the 30th business day after the date the
21 State Office of Administrative Hearings issues a proposal for
22 decision, the commission shall convene a meeting and by motion
23 shall issue:

24 (1) a final decision stating the resolution of the
25 formal hearing in the form corresponding to the category of
26 violation alleged in the inquiry or motion that was the subject of
27 the hearing; and

1 (2) a written report stating in detail the
2 commission's findings of fact, conclusions of law, and
3 recommendation of criminal referral or imposition of a civil
4 penalty, if any.

5 (c) Not later than the fifth business day after the date the
6 commission issues the final decision and written report, the
7 commission shall:

8 (1) provide [~~send~~] a copy of the decision and report to
9 the complainant, if any, and to the respondent; and

10 (2) make a copy of the decision and report available to
11 the public during reasonable business hours.

12 SECTION 2.27. Section 571.133, Government Code, is amended
13 to read as follows:

14 Sec. 571.133. APPEAL OF FINAL DECISION. (a) A respondent
15 who has exhausted all administrative remedies under this subchapter
16 and who is aggrieved by a final decision of the commission may seek
17 judicial review of the decision by pursuing an appeal.

18 **(b)** To appeal a final decision of the commission, the
19 respondent or the respondent's agent may file a petition in a
20 district court in Travis County or in the county in which the
21 respondent resides.

22 **(c)** [~~(b)~~] The petition must be filed not later than the 30th
23 business day after the date the respondent received the decision.

24 **(d)** [~~(c)~~] Not later than the 30th day after the date on
25 which the petition is filed, the respondent may request that the
26 appeal be transferred to a district court in Travis County or in the
27 county in which the respondent resides, as appropriate. The court

1 in which the appeal is originally filed shall transfer the appeal to
2 a district court in the other county on receipt of the request.

3 (e) Judicial review under this section shall be conducted in
4 the manner provided for judicial review of a contested case under
5 Chapter 2001, Government Code, and is governed by the substantial
6 evidence rule.

7 ~~[(d) An appeal brought under this section is not limited to~~
8 ~~questions of law, and the substantial evidence rule does not apply.~~
9 ~~The action shall be determined by trial de novo. The reviewing~~
10 ~~court shall try all issues of fact and law in the manner applicable~~
11 ~~to other civil suits in this state but may not admit in evidence the~~
12 ~~fact of prior action by the commission or the nature of that action,~~
13 ~~except to the limited extent necessary to show compliance with~~
14 ~~statutory provisions that vest jurisdiction in the court. A party~~
15 ~~is entitled, on demand, to a jury determination of any issue of fact~~
16 ~~on which a jury determination is available in other civil suits in~~
17 ~~this state.]~~

18 SECTION 2.28. Section 571.134, Government Code, is amended
19 to read as follows:

20 Sec. 571.134. DELAY OF REFERRAL. If an alleged violation
21 involves an election in which the alleged violator is a candidate, a
22 candidate's campaign treasurer, or the campaign treasurer of a
23 political committee supporting or opposing a candidate and the
24 inquiry ~~[complaint]~~ is filed within 60 days before the date of the
25 election, the commission shall delay referral until:

- 26 (1) the day after election day;
- 27 (2) the day after runoff election day if an ensuing

1 runoff involving the alleged violator is held; or

2 (3) the day after general election day if the election
3 involved in the violation is a primary election and the alleged
4 violator is involved in the succeeding general election.

5 SECTION 2.29. Section 571.135(b), Government Code, is
6 amended to read as follows:

7 (b) The materials must include:

8 (1) a description of:

9 (A) the commission's responsibilities;

10 (B) the types of conduct that constitute a
11 violation of a law within the jurisdiction of the commission;

12 (C) the types of sanctions the commission may
13 impose;

14 (D) the commission's policies and procedures
15 relating to inquiry [~~complaint~~] investigation and resolution; and

16 (E) the duties of a person filing an inquiry [~~a
17 complaint~~] with the commission; and

18 (2) a diagram showing the basic steps in the
19 commission's procedures relating to inquiry [~~complaint~~]
20 investigation and resolution.

21 SECTION 2.30. Section 571.1351, Government Code, is amended
22 to read as follows:

23 Sec. 571.1351. STATUS OF INQUIRY [~~COMPLAINT~~]. (a) The
24 commission shall keep an information file about each inquiry [~~sworn
25 or other complaint~~] filed with the commission. The file must
26 include:

27 (1) the name of the person who filed the inquiry

1 ~~[complaint]~~;

2 (2) the date the inquiry ~~[complaint]~~ is received by
3 the commission;

4 (3) the subject matter of the inquiry ~~[complaint]~~;

5 (4) the name of each person contacted in relation to
6 the inquiry ~~[complaint]~~;

7 (5) a summary of the results of the review or
8 investigation of the inquiry ~~[complaint]~~; and

9 (6) an explanation of the reason the file was closed,
10 if the commission closed the file without taking action other than
11 to investigate the inquiry ~~[complaint]~~.

12 (b) The commission shall provide to the person filing the
13 inquiry ~~[complaint]~~ and to each person who is a subject of the
14 inquiry ~~[complaint]~~ a copy of the commission's policies and
15 procedures relating to inquiry ~~[complaint]~~ investigation and
16 resolution.

17 (c) In addition to the notice required by Sections 571.123
18 through 571.132, the commission, at least quarterly until final
19 disposition of an inquiry ~~[a complaint]~~, shall notify the person
20 who filed the inquiry ~~[complaint]~~ and each person who is a subject
21 of the inquiry ~~[complaint]~~, if any, of the status of the inquiry
22 ~~[sworn or other complaint]~~.

23 SECTION 2.31. Section 571.136, Government Code, is amended
24 to read as follows:

25 Sec. 571.136. EXTENSION OF DEADLINE. The commission may,
26 on its own motion or on the reasonable request of a respondent,
27 extend any deadline for action relating to an inquiry ~~[a sworn~~

1 ~~complaint~~], motion, preliminary review hearing, or formal hearing.

2 SECTION 2.32. Section 571.137(a), Government Code, is
3 amended to read as follows:

4 (a) In connection with a formal hearing, the commission, as
5 authorized by this chapter, may subpoena and examine witnesses and
6 documents that directly relate to an inquiry [~~a sworn complaint~~].

7 SECTION 2.33. Section 571.139, Government Code, is amended
8 to read as follows:

9 Sec. 571.139. APPLICABILITY OF OTHER ACTS. (a) Except as
10 provided by Section 571.140(b), Chapter 552 does not apply to
11 documents or any additional evidence relating to the processing,
12 preliminary review, preliminary review hearing, or resolution of an
13 inquiry [~~a sworn complaint~~] or motion.

14 (b) Chapter 551 does not apply to the processing,
15 preliminary review, preliminary review hearing, or resolution of an
16 inquiry [~~a sworn complaint~~] or motion, but does apply to a formal
17 hearing held under Sections 571.127 [~~571.129~~] through 571.131.

18 (c) Subchapters C through H, Chapter 2001, apply only to a
19 formal hearing under this subchapter, the resolution of a formal
20 hearing, and the appeal of a final decision [~~order~~] of the
21 commission, and only to the extent consistent with this chapter.

22 SECTION 2.34. Sections 571.140(a), (b), and (b-1),
23 Government Code, are amended to read as follows:

24 (a) Except as provided by Subsection (b) or (b-1) or by
25 Section 571.171, proceedings at a preliminary review hearing
26 performed by a panel of members of the commission, an inquiry [~~a~~
27 ~~sworn complaint~~], and documents and any additional evidence

1 relating to the processing, preliminary review, preliminary review
2 hearing, or resolution of an inquiry [~~a sworn complaint~~] or motion
3 are confidential and may not be disclosed unless entered into the
4 record of a formal hearing or a judicial proceeding, except that a
5 document or statement that was previously public information
6 remains public information.

7 (b) A notice of administrative or filing error or a notice
8 of violation approved [~~An order issued~~] by the commission under
9 Section 571.12431(b) or 571.126(f) after the completion of a
10 preliminary review or hearing [~~determining that a violation other~~
11 ~~than a technical or de minimis violation has occurred~~] is not
12 confidential. A letter of acknowledgment approved by the
13 commission under Section 571.12431(b) or 571.126(f) after the
14 completion of a preliminary review or hearing is confidential.

15 (b-1) A commission employee may, for the purpose of
16 investigating an inquiry [~~a sworn complaint~~] or motion, disclose to
17 the complainant, the respondent, or a witness information that is
18 otherwise confidential and relates to the inquiry [~~sworn complaint~~]
19 if:

20 (1) the employee makes a good faith determination that
21 the disclosure is necessary to conduct the investigation;

22 (2) the employee's determination under Subdivision (1)
23 is objectively reasonable;

24 (3) the executive director authorizes the disclosure;
25 and

26 (4) the employee discloses only the information
27 necessary to conduct the investigation.

1 SECTION 2.35. Section 571.141, Government Code, is amended
2 to read as follows:

3 Sec. 571.141. AVAILABILITY OF NOTICES OF ADMINISTRATIVE OR
4 FILING ERROR AND NOTICES OF VIOLATION [~~COMMISSION ORDERS~~] ON
5 INTERNET. (a) As soon as practicable following a preliminary
6 review, preliminary review hearing, or formal hearing at which the
7 commission staff, a panel of members of the commission, or the
8 commission determines that a person has committed a violation
9 within the commission's jurisdiction, the commission shall make
10 available on the Internet:

11 (1) a copy of the notice of administrative or filing
12 error or notice of violation approved or issued by the commission
13 [~~commission's order stating the determination~~]; or

14 (2) a summary of the notice [~~commission's order~~].

15 (b) This section does not apply to a letter of
16 acknowledgment [~~determination of a violation that is technical or~~
17 ~~de minimis~~].

18 SECTION 2.36. Section 571.142, Government Code, is amended
19 to read as follows:

20 Sec. 571.142. LIABILITY FOR RESPONDENT'S COSTS. (a) This
21 section applies only to an inquiry [~~a sworn complaint~~] if:

22 (1) the inquiry [~~complaint~~] was filed after the 30th
23 day before the date of an election;

24 (2) the respondent is a candidate in the election; and

25 (3) the inquiry [~~complaint~~] alleges an administrative
26 or filing [~~a~~] violation or a more serious violation [~~other than a~~
27 ~~technical or clerical violation~~].

1 (b) If, in disposing of an inquiry [~~a sworn complaint~~] to
2 which this section applies, the commission determines that a
3 violation within the commission's jurisdiction has not occurred,
4 the complainant is liable for the respondent's reasonable and
5 necessary attorney's fees and other costs incurred in defending
6 against the inquiry [~~complaint~~].

7 (c) This section does not apply to an inquiry [~~a sworn~~
8 ~~complaint~~] regarding a reporting omission required by law.

9 SECTION 2.37. Section 571.171(b), Government Code, is
10 amended to read as follows:

11 (b) On receipt of an inquiry [~~a sworn complaint~~], if the
12 executive director reasonably believes that the person who is the
13 subject of the inquiry [~~complaint~~] has violated Chapter 36 or 39,
14 Penal Code, the executive director may refer the matter to the
15 appropriate prosecuting attorney for criminal prosecution.

16 SECTION 2.38. Section 571.173, Government Code, is amended
17 to read as follows:

18 Sec. 571.173. CIVIL PENALTY FOR DELAY OR VIOLATION. (a)
19 The commission and the commission staff may impose a civil penalty
20 of not more than \$5,000 or triple the amount at issue under a law
21 administered and enforced by the commission, whichever amount is
22 more, for a delay in complying with a commission order or decision
23 or for a violation of a law administered and enforced by the
24 commission.

25 (b) The commission shall adopt guidelines for the
26 commission and the commission staff to follow when imposing a civil
27 penalty under this section. The guidelines must direct the

1 commission or the commission staff to consider the factors
2 described by Section 571.177.

3 (c) The commission or the commission staff shall impose a
4 civil penalty on a respondent who accepts or is issued a notice of
5 administrative or filing error or a notice of violation under this
6 chapter.

7 (d) When imposing a civil penalty under Subsection (c), the
8 commission is not required to consider any penalties previously
9 proposed to the respondent at an earlier stage of review.

10 (e) The commission or the commission staff may not impose a
11 civil penalty on a respondent who accepts or is issued a letter of
12 acknowledgment under this chapter.

13 SECTION 2.39. Section 571.176, Government Code, is amended
14 to read as follows:

15 Sec. 571.176. CIVIL PENALTY FOR FRIVOLOUS OR BAD-FAITH
16 INQUIRY [~~COMPLAINT~~]. (a) The commission may impose a civil penalty
17 of not more than \$10,000 for the filing of a frivolous or bad-faith
18 inquiry [~~complaint~~]. In this subsection, "frivolous inquiry
19 [~~complaint~~]" means an inquiry [~~a complaint~~] that is groundless and
20 brought in bad faith or is groundless and brought for the purpose of
21 harassment.

22 (b) In addition to other penalties, a person who files a
23 frivolous inquiry [~~complaint~~] is civilly liable to the respondent
24 in an amount equal to the greater of \$10,000 or the amount of actual
25 damages incurred by the respondent, including court costs and
26 attorney fees.

27 (c) A person may file an inquiry [~~a sworn complaint~~] with

1 the commission, in accordance with Section 571.122, alleging that
2 an inquiry [~~a complaint~~] relating to that person filed with the
3 commission is frivolous or brought in bad faith. An inquiry [~~A~~
4 ~~complaint~~] may be filed under this subsection without regard to
5 whether the inquiry [~~complaint~~] alleged to be frivolous or brought
6 in bad faith is pending before the commission or has been resolved.
7 The commission shall act on an inquiry [~~a complaint~~] made under this
8 subsection as provided by Subchapter E.

9 SECTION 2.40. Section 571.177, Government Code, is amended
10 to read as follows:

11 Sec. 571.177. FACTORS CONSIDERED FOR ASSESSMENT OF
12 SANCTION. The commission or the commission staff shall consider
13 the following factors in assessing a sanction:

14 (1) the seriousness of the violation, including the
15 nature, circumstances, consequences, extent, and gravity of the
16 violation;

17 (2) the history and extent of previous violations;

18 (3) the demonstrated good faith of the violator,
19 including actions taken to rectify the consequences of the
20 violation;

21 (4) the penalty necessary to deter future violations;

22 and

23 (5) any other matters that justice may require.

24 SECTION 2.41. (a) Not later than December 1, 2013, the
25 Texas Ethics Commission shall adopt any rules necessary to
26 implement the changes in law made by this article.

27 (b) The changes in law made by this article apply only to an

1 inquiry filed with the Texas Ethics Commission under Section
2 571.122, Government Code, or a motion adopted by the commission
3 under Section 571.124(b), Government Code, on or after December 1,
4 2013. A sworn complaint filed with the Texas Ethics Commission
5 under Section 571.122, Government Code, or a motion adopted by the
6 commission under Section 571.124(b), Government Code, before that
7 date is governed by the law in effect on the date the complaint is
8 filed or the motion is adopted, and the former law is continued in
9 effect for that purpose.

10 ARTICLE 3. PERSONAL FINANCIAL STATEMENTS

11 SECTION 3.01. Section 571.0671, Government Code, is amended
12 to read as follows:

13 Sec. 571.0671. REQUIREMENTS FOR ELECTRONIC FILING
14 SOFTWARE. (a) Computer software provided or approved by the
15 commission for use under Section 254.036(b), Election Code, or
16 Section 302.013, ~~[or]~~ 305.0064, or 572.0291 must:

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

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

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

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

26 (5) permit a person using a computer to prepare a
27 report or to retrieve information from a report to import

1 information to the report from a variety of computer software
2 applications that meet commission specifications for a standard
3 file format or export information from the report to a variety of
4 computer software applications that meet commission specifications
5 for a standard file format without the need to reenter information.

6 (b) Before determining the specifications for computer
7 software developed, purchased, or licensed for use under Section
8 254.036, Election Code, or Section 302.013, ~~[or]~~ 305.0064, or
9 572.0291, the commission shall conduct at least one public hearing
10 to discuss the specifications. For at least 10 days following the
11 hearing, the commission shall accept public comments concerning the
12 software specifications.

13 (c) The commission may provide software for use under
14 Section 254.036(b), Election Code, or Section 302.013, ~~[or]~~
15 305.0064, or 572.0291 by making the software available on the
16 Internet. If the commission makes the software available on the
17 Internet, the commission is not required to provide the software on
18 computer diskettes, CD-ROMs, or other storage media without charge
19 to persons required to file reports under that section, but may
20 charge a fee for providing the software on storage media. A fee
21 under this subsection may not exceed the cost to the commission of
22 providing the software.

23 SECTION 3.02. Subchapter B, Chapter 572, Government Code,
24 is amended by adding Section 572.0291 to read as follows:

25 Sec. 572.0291. ELECTRONIC FILING REQUIRED. A financial
26 statement filed with the commission must be filed by computer
27 diskette, modem, or other means of electronic transfer, using

1 computer software provided by the commission or computer software
2 that meets commission specifications for a standard file format.

3 SECTION 3.03. Subchapter B, Chapter 572, Government Code,
4 is amended by adding Section 572.0292 to read as follows:

5 Sec. 572.0292. PREPARATION OF FORMS. The commission shall
6 design forms that may be used for filing a financial statement with
7 an authority other than the commission.

8 SECTION 3.04. The heading to Section 572.030, Government
9 Code, is amended to read as follows:

10 Sec. 572.030. NOTIFICATION OF FILING REQUIREMENT
11 [~~PREPARATION AND MAILING OF FORMS~~].

12 SECTION 3.05. Sections 572.030(b) and (c), Government Code,
13 are amended to read as follows:

14 (b) The commission shall notify [~~mail to~~] each individual
15 required to file under this subchapter of [~~a notice that~~]:

16 (1) the requirement [~~states~~] that the individual [~~is~~
17 ~~required to~~] file a financial statement under this subchapter;

18 (2) [~~identifies~~] the filing dates for the financial
19 statement as provided by Sections 572.026 and 572.027; and

20 (3) [~~describes~~] the manner in which the individual may
21 electronically file the financial statement and access
22 instructions for filing financial statements on [~~obtain the~~
23 ~~financial statement forms and instructions from~~] the commission's
24 Internet website[+]

25 [~~(4) states that on request of the individual, the~~
26 ~~commission will mail to the individual a copy of the financial~~
27 ~~statement forms and instructions; and~~

1 ~~[(5) states, if applicable, the fee for mailing the~~
2 ~~forms and instructions and the manner in which the individual may~~
3 ~~pay the fee].~~

4 (c) The notification ~~[notice]~~ required by Subsection (b)
5 must be provided ~~[mailed]~~:

6 (1) before the 30th day before the deadline for filing
7 the financial statement under Section 572.026(a) or (c), except as
8 otherwise provided by this subsection;

9 (2) not later than the 15th day after the applicable
10 deadline for filing an application for a place on the ballot or a
11 declaration of write-in candidacy for candidates required to file
12 under Section 572.027(a), (b), or (c);

13 (3) not later than the seventh day after the date of
14 appointment for individuals required to file under Section
15 572.026(b), or if the legislature is in session, sooner if
16 possible; and

17 (4) not later than the fifth day after the date the
18 certificate of nomination is filed for candidates required to file
19 under Section 572.027(d) ~~[574.027(d)]~~.

20 SECTION 3.06. Section 572.031(b), Government Code, is
21 amended to read as follows:

22 (b) If the commission determines that an individual has
23 failed to file the statement in compliance with this subchapter,
24 the commission shall notify ~~[send a written statement of the~~
25 ~~determination to]~~ the appropriate prosecuting attorney for
26 ~~[attorneys of]~~ the state of the determination.

27 SECTION 3.07. Sections 572.033(a) and (b), Government Code,

1 are amended to read as follows:

2 (a) The commission shall determine from any available
3 evidence whether a statement required to be filed under this
4 subchapter is late. On making a determination that the statement is
5 late, the commission shall notify [~~immediately mail a notice of the~~
6 ~~determination to~~] the individual responsible for filing the
7 statement and [~~to~~] the appropriate prosecuting attorney for the
8 state of the determination.

9 (b) If a statement is determined to be late, the individual
10 responsible for filing the statement is liable to the state for a
11 civil penalty of \$500. If a statement is more than 30 days late, the
12 commission shall issue a warning of liability [~~by registered mail~~]
13 to the individual responsible for the filing. If the penalty is not
14 paid before the 10th day after the date on which the warning is
15 received, the individual is liable for a civil penalty in an amount
16 determined by commission rule, but not to exceed \$10,000.

17 SECTION 3.08. Section 145.004(d), Local Government Code, is
18 amended to read as follows:

19 (d) The timeliness of the filing is governed by Section
20 572.029, Government Code. In addition, a financial statement is
21 timely filed if it is properly addressed and placed in the United
22 States Post Office or in the hands of a common or contract carrier
23 not later than the last day for filing the financial statement. The
24 post office cancellation mark or the receipt mark of a common or
25 contract carrier is prima facie evidence of the date the statement
26 was deposited with the post office or carrier. The individual
27 filing the statement may show by competent evidence that the actual

1 date of posting was different from that shown by the mark.

2 SECTION 3.09. Section 159.004(b), Local Government Code, is
3 amended to read as follows:

4 (b) The timeliness of the filing is governed by Section
5 572.029, Government Code. In addition, a financial statement is
6 timely filed if it is properly addressed and placed in the United
7 States Post Office or in the hands of a common or contract carrier
8 not later than the last day for filing the financial statement. The
9 post office cancellation mark or the receipt mark of a common or
10 contract carrier is prima facie evidence of the date the statement
11 was deposited with the post office or carrier. The individual
12 filing the statement may show by competent evidence that the actual
13 date of posting was different from that shown by the mark.

14 SECTION 3.10. Section 159.053(b), Local Government Code, is
15 amended to read as follows:

16 (b) The timeliness of the filing is governed by Section
17 572.029, Government Code. In addition, a financial statement is
18 timely filed if it is properly addressed and placed in the United
19 States Post Office or in the hands of a common or contract carrier
20 not later than the last day for filing the financial statement. The
21 post office cancellation mark or the receipt mark of a common or
22 contract carrier is prima facie evidence of the date the statement
23 was deposited with the post office or carrier. The individual
24 filing the statement may show by competent evidence that the actual
25 date of posting was different from that shown by the mark.

26 SECTION 3.11. As soon as practicable after the effective
27 date of this Act, the Texas Ethics Commission shall develop or

1 approve the computer software that a person may use to
2 electronically file a financial statement under Chapter 572,
3 Government Code, as provided by the changes in law made by this
4 article.

5 ARTICLE 4. CAMPAIGN FINANCE

6 SECTION 4.01. The heading to Chapter 252, Election Code, is
7 amended to read as follows:

8 CHAPTER 252. CAMPAIGN TREASURER, LEGISLATIVE CAUCUS CHAIR, AND
9 PRINCIPAL POLITICAL COMMITTEE

10 SECTION 4.02. Chapter 252, Election Code, is amended by
11 designating Sections 252.001 through 252.015 as Subchapter A and
12 adding a subchapter heading to read as follows:

13 SUBCHAPTER A. CAMPAIGN TREASURER

14 SECTION 4.03. Section 252.001, Election Code, is amended to
15 read as follows:

16 Sec. 252.001. APPOINTMENT OF CAMPAIGN TREASURER REQUIRED.
17 Except as provided in Subchapter C, each [~~Each~~] candidate and each
18 political committee shall appoint a campaign treasurer as provided
19 by this subchapter [~~chapter~~].

20 SECTION 4.04. Chapter 252, Election Code, is amended by
21 adding Subchapters B and C to read as follows:

22 SUBCHAPTER B. LEGISLATIVE CAUCUS CHAIR

23 Sec. 252.051. APPOINTMENT OF LEGISLATIVE CAUCUS CHAIR
24 REQUIRED. Each legislative caucus, as defined by Section 253.0341,
25 shall appoint a caucus chair as required by this subchapter.

26 Sec. 252.052. CONTENTS OF APPOINTMENT; AUTHORITY WITH WHOM
27 FILED. (a) A legislative caucus chair appointment must be in

1 writing and must include:

- 2 (1) the caucus's full name;
- 3 (2) the caucus chair's name;
- 4 (3) the caucus's mailing address;
- 5 (4) the caucus's telephone number; and
- 6 (5) the name of the person making the appointment.

7 (b) A legislative caucus must file its caucus chair
8 appointment with the commission.

9 (c) A legislative caucus must notify the commission in
10 writing of any change in the caucus's mailing address not later than
11 the 10th day after the date on which the change occurs.

12 SUBCHAPTER C. PRINCIPAL POLITICAL COMMITTEE

13 Sec. 252.101. DESIGNATION OF PRINCIPAL POLITICAL
14 COMMITTEE. (a) A candidate required to file a campaign treasurer
15 appointment with the commission or an officeholder of an office for
16 which a candidate is required to file a campaign treasurer
17 appointment with the commission may designate a specific-purpose
18 committee as the principal political committee for the candidate or
19 officeholder with the responsibility of reporting any activity of
20 the candidate or officeholder for which the candidate or
21 officeholder would otherwise be required to file a report under
22 Chapter 254.

23 (b) A candidate who designates a principal political
24 committee under this subchapter is not required to appoint a
25 campaign treasurer under Subchapter A.

26 (c) A designation of a principal political committee must be
27 in writing and filed with the commission.

1 Sec. 252.102. LIMITATION ON DESIGNATION OF AND AS PRINCIPAL
2 POLITICAL COMMITTEE. (a) A candidate or officeholder may
3 designate only one specific-purpose committee as the candidate's or
4 officeholder's principal political committee.

5 (b) A specific-purpose committee may be designated as the
6 principal political committee for only one candidate or
7 officeholder.

8 SECTION 4.05. Sections 254.0311(a), (c), (d), and (g),
9 Election Code, are amended to read as follows:

10 (a) A legislative caucus's caucus chair shall file a report
11 of contributions and expenditures as required by this section.

12 (c) If no reportable activity occurs during a reporting
13 period, the legislative caucus chair shall indicate that fact in
14 the report.

15 (d) A legislative caucus's caucus chair shall file with the
16 commission two reports for each year.

17 (g) A legislative caucus's caucus chair shall maintain a
18 record of all reportable activity under this section and shall
19 preserve the record for at least two years beginning on the filing
20 deadline for the report containing the information in the record.

21 SECTION 4.06. Sections 254.034(a) and (b), Election Code,
22 are amended to read as follows:

23 (a) A determination to accept or refuse a political
24 contribution that is received by a candidate, officeholder, or
25 political committee shall be made not later than the date the
26 candidate, officeholder, or political committee files a report
27 under this chapter for the reporting period during which the

1 contribution is received or the deadline for filing a report for
2 ~~[end of]~~ the reporting period during which the contribution is
3 received, whichever occurs first.

4 (b) If the determination to accept or refuse a political
5 contribution is not made before the time required by Subsection
6 (a), for purposes of this chapter, the contribution is considered
7 to have been accepted on the date the candidate, officeholder, or
8 political committee files a report under this chapter for the
9 reporting period during which the contribution is received or the
10 deadline for filing a report for the reporting period during which
11 the contribution is received, whichever occurs first ~~[last day of~~
12 ~~that reporting period]~~.

13 SECTION 4.07. Section 254.036, Election Code, is amended by
14 amending Subsections (c) and (c-1) and adding Subsections (d) and
15 (d-1) to read as follows:

16 (c) A candidate, officeholder, or political committee that
17 is required to file reports with the commission may file reports
18 that comply with Subsection (a) if:

19 (1) the candidate, officeholder, or campaign
20 treasurer of the committee files with the commission an affidavit
21 stating that the candidate, officeholder, or committee, an agent of
22 the candidate, officeholder, or committee, or a person with whom
23 the candidate, officeholder, or committee contracts does not use
24 computer equipment to keep the current records of political
25 contributions, political expenditures, or persons making political
26 contributions to the candidate, officeholder, or committee; and

27 (2) the candidate, officeholder, or committee has

1 never [~~does not~~], in a calendar year, accepted [~~accept~~] political
2 contributions that in the aggregate exceeded [~~exceed~~] \$20,000 or
3 made [~~make~~] political expenditures that in the aggregate exceeded
4 [~~exceed~~] \$20,000.

5 (c-1) An affidavit under Subsection (c) must be filed with
6 each report filed under Subsection (a). The affidavit must include
7 a statement that the candidate, officeholder, or political
8 committee understands that the candidate, officeholder, or
9 committee shall file reports as required by Subsection (b) if:

10 (1) the candidate, officeholder, or committee, a
11 consultant of the candidate, officeholder, or committee, or a
12 person with whom the candidate, officeholder, or committee
13 contracts uses computer equipment for a purpose described by
14 Subsection (c); or

15 (2) the candidate, officeholder, or committee ever
16 exceeds \$20,000 in political contributions or political
17 expenditures in a calendar year.

18 (d) A legislative caucus may file reports that comply with
19 Subsection (a) if:

20 (1) the legislative caucus chair files with the
21 commission an affidavit stating that the caucus, an agent of the
22 caucus, or a person with whom the caucus contracts does not use
23 computer equipment to keep the current records of contributions,
24 expenditures, or persons making contributions to the caucus; and

25 (2) the caucus has never, in a calendar year, accepted
26 contributions that in the aggregate exceeded \$20,000 or made
27 expenditures that in the aggregate exceeded \$20,000.

1 (d-1) An affidavit under Subsection (d) must be filed with
2 each report filed under Subsection (a). The affidavit must include
3 a statement that the legislative caucus understands that the caucus
4 shall file reports as required by Subsection (b) if:

5 (1) the caucus, a consultant of the caucus, or a person
6 with whom the caucus contracts uses computer equipment for a
7 purpose described by Subsection (d); or

8 (2) the caucus ever exceeds \$20,000 in contributions
9 or expenditures in a calendar year.

10 SECTION 4.08. Section 254.0405(c), Election Code, is
11 amended to read as follows:

12 (c) A semiannual report that is amended on or after the
13 eighth day after the original report was filed is considered to have
14 been filed on the date on which the original report was filed if:

15 (1) the amendment is made before any inquiry
16 [~~complaint~~] is filed with regard to the subject of the amendment;
17 and

18 (2) the original report was made in good faith and
19 without an intent to mislead or to misrepresent the information
20 contained in the report.

21 SECTION 4.09. Sections 254.042(a) and (b), Election Code,
22 are amended to read as follows:

23 (a) The commission shall determine from any available
24 evidence whether a report required to be filed with the commission
25 under this chapter is late. On making that determination, the
26 commission shall immediately notify [~~mail a notice of the~~
27 ~~determination to~~] the person required to file the report of the

1 determination.

2 (b) If a report other than a report under Section
3 254.064(c), 254.124(c), or 254.154(c) or the first report under
4 Section 254.063 or 254.123 that is required to be filed following
5 the primary or general election is determined to be late, the person
6 required to file the report is liable to the state for a civil
7 penalty of \$500. If a report under Section 254.064(c), 254.124(c),
8 or 254.154(c) or the first report under Section 254.063 or 254.153
9 that is required to be filed following the primary or general
10 election is determined to be late, the person required to file the
11 report is liable to the state for a civil penalty of \$500 for the
12 first day the report is late and \$100 for each day thereafter that
13 the report is late. If a report is more than 30 days late, the
14 commission shall issue a warning of liability [~~by registered mail~~]
15 to the person required to file the report. If the penalty is not
16 paid before the 10th day after the date on which the warning is
17 received, the person is liable for a civil penalty in an amount
18 determined by commission rule, but not to exceed \$10,000.

19 SECTION 4.10. Subchapter C, Chapter 254, Election Code, is
20 amended by adding Section 254.067 to read as follows:

21 Sec. 254.067. REPORT NOT REQUIRED. If during any reporting
22 period prescribed by this subchapter a candidate designates a
23 specific-purpose committee as the candidate's principal political
24 committee as provided by Section 252.101, the candidate is not
25 required to file a report covering that period if the candidate's
26 principal political committee reports all of the activity that
27 would otherwise be required to be included in the report,

1 including:

2 (1) the amount of any political contribution,
3 including any loan, made by the candidate to the principal
4 political committee; and

5 (2) the amount of any political expenditure made by
6 the candidate from personal funds and whether the candidate intends
7 to seek reimbursement of the expenditure from the principal
8 political committee.

9 SECTION 4.11. Section 254.095, Election Code, is amended to
10 read as follows:

11 Sec. 254.095. REPORT NOT REQUIRED. (a) If at the end of any
12 reporting period prescribed by this subchapter an officeholder who
13 is required to file a report with an authority other than the
14 commission has not accepted political contributions that in the
15 aggregate exceed \$500 or made political expenditures that in the
16 aggregate exceed \$500, the officeholder is not required to file a
17 report covering that period.

18 (b) If during any reporting period prescribed by this
19 subchapter an officeholder designates a specific-purpose committee
20 as the officeholder's principal political committee as provided by
21 Section 252.101, the officeholder is not required to file a report
22 covering that period if the officeholder's principal political
23 committee reports all of the activity that would otherwise be
24 required to be included in the report, including:

25 (1) the amount of any political contribution,
26 including any loan, made by the officeholder to the principal
27 political committee; and

1 (2) the amount of any political expenditure made by
2 the officeholder from personal funds and whether the officeholder
3 intends to seek reimbursement of the expenditure from the principal
4 political committee.

5 SECTION 4.12. Section 254.157(b), Election Code, is amended
6 to read as follows:

7 (b) A monthly report covers the period beginning the first
8 calendar [~~26th~~] day of each month and continuing through the last
9 calendar [~~25th~~] day of that [~~the following~~] month[, ~~except that the~~
10 ~~period covered by the first report begins January 1 and continues~~
11 ~~through January 25~~].

12 SECTION 4.13. Section 254.158, Election Code, is amended to
13 read as follows:

14 Sec. 254.158. EXCEPTION TO MONTHLY REPORTING SCHEDULE. If
15 the campaign treasurer appointment of a general-purpose committee
16 filing monthly reports is filed after January 1 of the year in which
17 monthly reports are filed, the period covered by the first monthly
18 report begins the day the appointment is filed and continues
19 through the last calendar [~~25th~~] day of the month in which the
20 appointment is filed unless the appointment is filed the last
21 calendar [~~25th or a succeeding~~] day of the month. In that case, the
22 period continues through the last calendar [~~25th~~] day of the month
23 following the month in which the appointment is filed.

24 SECTION 4.14. The changes in law made by this article apply
25 only to a report required to be filed under Chapter 254, Election
26 Code, on or after the effective date of this Act. A report required
27 to be filed under Chapter 254, Election Code, before the effective

1 date of this Act is governed by the law in effect on the date the
2 report is due, and the former law is continued in effect for that
3 purpose.

4 SECTION 4.15. (a) Not later than September 15, 2013, each
5 legislative caucus in existence on September 1, 2013, shall appoint
6 a caucus chair and file a caucus chair appointment with the Texas
7 Ethics Commission as required by Subchapter B, Chapter 252,
8 Election Code, as added by this Act. Notwithstanding Section
9 254.0311, Election Code, as amended by this Act:

10 (1) not later than October 1, 2013, a legislative
11 caucus shall file a report under Section 254.0311, Election Code,
12 as that section existed before amendment by this Act, that covers
13 the period beginning July 1, 2013, or the day the caucus is
14 organized, as applicable, and continuing through September 15,
15 2013; and

16 (2) not later than January 15, 2014, a legislative
17 caucus chair appointed under this subsection shall file a report
18 under Section 254.0311, Election Code, as amended by this Act, that
19 covers the period beginning September 15, 2013, and continuing
20 through December 31, 2013.

21 (b) A legislative caucus chair appointed under Subsection
22 (a) of this section is not responsible for:

23 (1) reporting caucus activity that occurs before
24 September 15, 2013; or

25 (2) maintaining records of caucus activity that occurs
26 before September 15, 2013.

ARTICLE 5. LOBBYING

SECTION 5.01. Section 305.002, Government Code, is amended by adding Subdivision (2-a) to read as follows:

(2-a) "Communicates directly with a member of the legislative or executive branch to influence legislation or administrative action" or any variation of the phrase includes establishing goodwill with the member for the purpose of later communicating with the member to influence legislation or administrative action.

SECTION 5.02. Section 305.0021(b), Government Code, is amended to read as follows:

(b) For purposes of Section 36.02 or 36.10, Penal Code, a person described by Subsection (a)(2)(A) is not considered to have made an expenditure [~~the amount of a joint expenditure that is attributed to a person who is not a registrant is not an expenditure made and reported~~] in accordance with this chapter.

SECTION 5.03. Section 305.003, Government Code, is amended by adding Subsections (b-3) and (b-4) to read as follows:

(b-3) Subsection (a)(2) does not require a person to register if the person spends not more than 26 hours for which the person is compensated or reimbursed during the calendar quarter engaging in activity to communicate directly with a member of the legislative or executive branch to influence legislation or administrative action.

(b-4) If a person spends more than eight hours in a single day engaging in activity to communicate directly with a member of the legislative or executive branch to influence legislation or

1 administrative action, the person is only considered to have
2 engaged in the activity for eight hours during that day for purposes
3 of Subsection (b-3).

4 SECTION 5.04. Section 305.0062(a), Government Code, is
5 amended to read as follows:

6 (a) The report filed under Section 305.006 must also contain
7 the total expenditures described by Section 305.006(b) that are
8 directly attributable to members of the legislative or executive
9 branch. The expenditures must be stated in only one of the
10 following categories:

- 11 (1) state senators;
- 12 (2) state representatives;
- 13 (3) elected or appointed state officers, other than
14 those described by Subdivision (1) or (2);
- 15 (4) legislative agency employees;
- 16 (5) executive agency employees;
- 17 (6) the immediate family of a member of the
18 legislative or executive branch;
- 19 (7) guests, when invited by an individual described by
20 Subdivision (1), (2), (3), (4), or (5); ~~and~~
- 21 (8) events to which all legislators are invited;
- 22 (9) events to which a legislative committee and the
23 staff of the legislative committee are invited;
- 24 (10) state senators and the staff of state senators;
- 25 (11) state representatives and the staff of state
26 representatives; and
- 27 (12) all invited legislative staff.

1 SECTION 5.05. Section 305.0064, Government Code, is amended
2 by adding Subsection (c) to read as follows:

3 (c) The rules adopted by the commission under Subsection (b)
4 may not allow a registrant to file a paper registration or report if
5 the registrant has ever used the electronic filing system under
6 Subsection (a).

7 SECTION 5.06. Section 305.027, Government Code, is amended
8 by adding Subsection (f) to read as follows:

9 (f) In this section, "legislative advertising" does not
10 include material that is printed or published by a member of the
11 legislative branch and that is only disseminated by a member of the
12 legislature on the floor of either house of the legislature.

13 SECTION 5.07. Section 305.028(g), Government Code, is
14 amended to read as follows:

15 (g) The commission may receive inquiries [~~complaints~~]
16 regarding a violation of this section. If the commission
17 determines a violation of this section has occurred, the
18 commission, after notice and hearing:

19 (1) shall impose a civil penalty in an amount not to
20 exceed \$2,000; and

21 (2) may rescind the person's registration and may
22 prohibit the person from registering with the commission for a
23 period not to exceed two years from the date of the rescission of
24 the person's registration.

25 SECTION 5.08. Sections 305.033(a) and (c), Government Code,
26 are amended to read as follows:

27 (a) The commission shall determine from any available

1 evidence whether a registration or report required to be filed with
2 the commission under this chapter is late. A registration filed
3 without the fee required by Section 305.005 is considered to be
4 late. On making a determination that a required registration or
5 report is late, the commission shall immediately notify [~~mail a~~
6 ~~notice of the determination to~~] the person responsible for the
7 filing[~~, to the commission,~~] and [~~to~~] the appropriate attorney for
8 the state of the determination.

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

15 SECTION 5.09. Section 305.034(b), Government Code, is
16 amended to read as follows:

17 (b) Whenever the commission determines that a person has
18 failed to file any required form, statement, or report as required
19 by this chapter, the commission shall notify the person involved
20 [~~send a written statement~~] of this finding [~~to the person involved.~~
21 ~~Notice to the person involved must be sent by certified mail~~].

22 SECTION 5.10. The amendment by this article to Section
23 305.0021(b), Government Code, is intended to clarify rather than
24 change existing law.

25 SECTION 5.11. Section 305.003, Government Code, as amended
26 by this article, applies only to a registration or registration
27 renewal required to be filed under Chapter 305, Government Code, on

1 or after the effective date of this Act. A registration or
2 registration renewal required to be filed under Chapter 305,
3 Government Code, before the effective date of this Act is governed
4 by the law in effect on the date the registration or registration
5 renewal is due, and the former law is continued in effect for that
6 purpose.

7 SECTION 5.12. Section 305.0062, Government Code, as amended
8 by this article, applies only to a report required to be filed under
9 Section 305.006, Government Code, on or after the effective date of
10 this Act. A report required to be filed under Section 305.006,
11 Government Code, before the effective date of this Act is governed
12 by the law in effect on the date the report is due, and the former
13 law is continued in effect for that purpose.

14 ARTICLE 6. REPEALER

15 SECTION 6.01. (a) The following provisions are repealed:

- 16 (1) Section 254.036(j), Election Code;
17 (2) Sections 254.0401(b) and (f), Election Code;
18 (3) Section 571.032, Government Code;
19 (4) Section 571.1212, Government Code;
20 (5) Section 572.029(c), Government Code;
21 (6) Sections 572.030(a), (d), and (e), Government
22 Code; and
23 (7) Section 572.034(c), Government Code.

24 (b) The repeal of Section 572.034(c), Government Code,
25 applies only to an offense committed on or after the effective date
26 of this Act. An offense committed before the effective date of this
27 Act is governed by the law in effect on the date the offense was

1 committed, and the former law is continued in effect for that
2 purpose. For purposes of this subsection, an offense was committed
3 before the effective date of this Act if any element of the offense
4 occurred before that date.

5 ARTICLE 7. EFFECTIVE DATE

6 SECTION 7.01. This Act takes effect September 1, 2013.