

BILL ANALYSIS

H.B. 16
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General Investigating & Ethics
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties note that the Texas Ethics Commission made various recommendations to the 85th Legislature regarding certain statutory changes and contend that these recommendations would positively impact the state. H.B. 16 seeks to implement these recommendations.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill expressly does one or more of the following: creates a criminal offense, increases the punishment for an existing criminal offense or category of offenses, or changes the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Ethics Commission in SECTION 7 of this bill.

ANALYSIS

H.B. 16 amends the Election Code to require an out-of-state political committee that does not file a campaign treasurer appointment to comply with provisions relating to the reporting of a direct campaign expenditure exceeding \$100 as well as the requirement to give notice of a general-purpose committee, other than the principal political committee of a political party or a political committee established by a political party's county executive committee, that accepts political contributions or makes political expenditures for a candidate or officeholder to the affected candidate or officeholder. The bill requires such an out-of-state political committee to designate an officer of the committee to provide the notice.

H.B. 16 prohibits an officer or employee of a political subdivision from spending or authorizing the spending of public funds to make a political contribution or a political expenditure and from directly or indirectly employing a person to use public funds to make such an unlawful contribution or expenditure. The bill creates a Class A misdemeanor offense for an officer or employee of a political subdivision who violates those prohibitions.

H.B. 16 authorizes a corporation or labor organization to make a political contribution from its own property to a political committee that:

- is not established or controlled by a candidate or an officeholder; that makes or intends to make direct campaign expenditures; that does not make or intend to make political contributions to a candidate, an officeholder, a specific-purpose committee established or controlled by a candidate or an officeholder, or a political committee that makes or intends to make political contributions to a candidate, an officeholder, or a specific-purpose committee established or controlled by a candidate or an officeholder; and

- has filed an affidavit with the Texas Ethics Commission stating the committee's intention to operate as described by the bill's provisions relating to direct campaign expenditures and political contributions by the committee.

H.B. 16 amends the Government Code to authorize the commission to adopt rules prescribing how the commission will notify any person or provide any notice required by provisions relating to ethics, statutory provisions relating to the registration of lobbyists, or provisions relating to the regulation of political funds and campaigns. That authorization expressly does not authorize the commission to adopt rules prescribing how the commission will notify any person or provide any notice required by statutory provisions relating to commission complaint procedures and hearings or civil enforcement actions by the commission or how the commission will issue a warning of liability under Election Code provisions relating to a civil penalty for certain late political reports.

H.B. 16 authorizes the commission to provide a seminar that addresses the laws administered and enforced by the commission and any other relevant laws, as determined by the commission, and to charge a fee for attending the seminar in an amount necessary to cover the costs associated with the seminar, including the cost of providing food or nonalcoholic beverages to attendees. The bill specifies that the costs associated with a seminar for persons required to register under statutory provisions regarding lobbyist registration for which the commission may charge attendees a fee to cover include the cost of providing food or nonalcoholic beverages to attendees.

H.B. 16 limits the applicability of the requirement that a financial statement filed with commission by a state officer, a candidate for an elected office, or a state party chair include identification by name and the category of the number of shares of stock of any business entity held or acquired to such identification of the greatest number of shares of stock of a nonpublicly traded business entity. The bill also includes among the required components of such a financial statement identification by stock symbol and the category of the number of shares of stock of any publicly traded corporation held. The bill requires each individual who files such a financial statement with the commission to maintain a record of the information that is necessary for filing the financial statement and to preserve the record for at least three years beginning on the filing deadline for the financial statement containing the information in the record.

H.B. 16 replaces the requirement that the commission mail to each individual required to file a personal financial statement a notice containing specified information with a requirement that the commission notify each such individual of the requirement that the individual file a personal financial statement, of the applicable filing dates for the personal financial statement, and of the manner in which the individual may electronically file the financial statement and access instructions for filing financial statements on the commission's website.

H.B. 16 requires the commission to make personal financial statements of certain public officials or candidates filed with the commission available to the public on the commission's website not later than the 15th day after the date the statement is required to be filed or is actually filed, whichever is later. The bill establishes that the commission is not required to continue to make available on its website a financial statement that may be destroyed after the second anniversary of the date the individual who filed it ceases to be a state officer and prohibits the commission from making available on its website a financial statement that the commission is required to destroy on notification from the former state officer. The bill repeals the requirement that the commission place in a state officer's file a specified statement each time a person other than the commission or a commission employee acting on official business requests to see a personal financial statement during the one-year period following the filing of the statement.

H.B. 16 reenacts and amends Section 572.032(a-1), Government Code, as amended by H.B. 776 and S.B. 1576, Acts of the 85th Legislature, Regular Session, 2017, to conform to changes made by H.B. 776 and to make a nonsubstantive revision.

H.B. 16 repeals Government Code provisions prohibiting an organization or group of persons from contributing or lending or promising to contribute or lend money or other things of value, with certain exceptions, in connection with a campaign for speaker of the house of representatives and provisions relating to certain individual contributions and campaign expenditures made in connection with such a campaign.

H.B. 16 repeals Election Code provisions imposing certain restrictions on contributions and expenditures made by a general-purpose political committee.

H.B. 16 repeals the following provisions:

- Section 253.037, Election Code
- Section 302.017, Government Code
- Section 302.019, Government Code
- Section 572.032(b), Government Code

EFFECTIVE DATE

December 1, 2017.