

## **BILL ANALYSIS**

Senate Research Center  
87R12298 TJB-D

H.B. 3906  
By: Goldman (Hughes)  
State Affairs  
5/19/2021  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Every two years, the Texas Ethics Commission (TEC) makes recommendations to the legislature regarding potential statutory modifications to improve the efficiency and efficacy of the TEC. For several sessions, these recommendations have not been adopted by lawmakers, which has allowed some state campaign finance and ethics laws to become increasingly outdated. H.B. 3906 seeks to resolve statutory conflicts, modernize reporting requirements, and otherwise act on certain of the TEC's recommendations.

H.B. 3906 amends current law relating to the regulation of political funds, campaigns, and lobbying, including certain functions and procedures of the Texas Ethics Commission.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 254.0313, Election Code, as follows:

Sec. 254.0313. OMISSION OF ADDRESS FOR JUDGE AND SPOUSE. Deletes existing text defining, for purposes of this section, "federal judge" and "state judge." Makes a nonsubstantive change.

SECTION 2. Amends Sections 254.036(a) and (b), Election Code, as follows:

(a) Requires that a report filed with the Texas Ethics Commission (TEC) that is not required to be filed electronically be on a form prescribed by TEC and typed or written in black or blue ink. Deletes existing text requiring that a report filed with TEC that is not required to be filed by computer diskette, modem, or other means of electronic transfer be on a form prescribed by TEC and written in black ink or typed with black typewriter ribbon or, if the report is a computer printout, the printout is required to conform to the same format and paper size as the form prescribed by TEC.

(b) Requires that each report filed under Chapter 254 (Political Reporting) with TEC, except as provided by Subsection (c) (relating to authorizing a candidate, officeholder, or political committee that is required to file reports with TEC to file reports that comply with Subsection (a) under certain circumstances) or (e) (relating to authorizing certain candidates or committees to file reports that comply with Subsection (a)), be filed electronically, rather than by computer diskette, modem, or other means of electronic transfer, using computer software provided by TEC or computer software that meets TEC specifications for a standard file format.

SECTION 3. Amends Section 255.001(b), Election Code, as follows:

(b) Requires that political advertising that is authorized by a candidate or a political committee filing reports under Title 15 (Regulating Political Funds and Campaigns), or

an agent of a candidate or political committee filing reports under Title 15, be deemed to contain express advocacy. Makes conforming changes.

SECTION 4. (a) Reenacts Section 305.024(a), Government Code, as amended by Chapter 206 (H.B. 1508), Acts of the 79th Legislature, Regular Session, 2005, and makes no further changes.

(b) Repealer: Section 2 (relating to prohibiting certain registered lobbyists from certain expenditures), Chapter 92 (S.B. 1011), Acts of the 79th Legislature, Regular Session, 2005.

SECTION 5. Amends Section 571.1223, Government Code, to require TEC, at any stage of a proceeding under Subchapter E (Complaint Procedures and Hearings), to dismiss a complaint to the extent the complaint alleges a statement, registration, or report violates a law or rule under certain circumstances, including if the respondent files with the correction or amendment an affidavit stating that any error or omission in the statement, registration, or report as originally filed was made in good faith.

SECTION 6. Amends Sections 572.030(b) and (c), Government Code, as follows:

(b) Requires TEC to notify each individual required to file under Subchapter B (Personal Financial Statement) of certain information, including the requirement that the individual file a financial statement under Subchapter B and the manner in which the individual is authorized to access instructions for filing financial statements and electronically file the financial statement on TEC's Internet website. Deletes existing text requiring TEC to mail to each individual required to file under Subchapter B a notice that states that the individual is required to file a financial statement under Subchapter B; describes the manner in which the individual is authorized to obtain the financial statement forms and instructions from TEC's Internet website; states that on request of the individual, TEC will mail to the individual a copy of the financial statement forms and instructions; and states, if applicable, the fee for mailing the forms and instructions and the manner in which the individual is authorized to pay the fee. Makes nonsubstantive changes.

(c) Creates an exception as provided by TEC rule to the requirement that the notice required by Subsection (b) be provided, rather than mailed, by a certain time, including not later than the fifth day after the date the certificate of nomination is filed for candidates required to file under Section 572.027(d) (relating to requiring an individual nominated to fill a certain vacancy to file a certain financial statement), rather than under Section 574.027(d).

SECTION 7. (a) Reenacts Section 572.032(a-1), Government Code, as amended by Chapter 983 (H.B. 776), Acts of the 85th Legislature, Regular Session, 2017, and makes no further changes.

(b) Repealer: Section 15 (relating to removing the home address of certain officials on a certain financial statement), Chapter 34 (S.B. 1576), Acts of the 85th Legislature, Regular Session, 2017.

SECTION 8. (1) Repealer: Section 571.122(b-1) (relating to requiring an individual to be a resident of this state or own real property to be eligible to file a sworn complain with TEC), Government Code, as added by Chapter 604 (H.B. 677), Acts of the 81st Legislature, Regular Session, 2009.

(2) Repealer: Sections 572.030(d) (relating to requiring TEC to mail a copy of the financial statement forms by a certain deadline) and (e) (relating to authorizing TEC to charge a fee for mailing the financial statement forms), Government Code.

SECTION 9. Makes application of Section 305.024(a), Government Code, as reenacted by this Act, prospective.

SECTION 10. Makes application of Section 255.001(b), Election Code, as amended by this Act, prospective.

SECTION 11. Provides that the repeal by this Act of Section 571.122(b-1), Government Code, as added by Chapter 604 (H.B. 677), Acts of the 81st Legislature, Regular Session, 2009, applies only to a complaint filed under Chapter 571, Government Code, on or after the effective date of this Act. Provides that a complaint filed before the effective date of this Act is governed by the law in effect on the date the complaint was filed, and the former law is continued in effect for that purpose.

SECTION 12. Effective date: September 1, 2021.