

BILL ANALYSIS

H.B. 3906
By: Goldman
State Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

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not been adopted by lawmakers, which has allowed some state campaign finance and ethics laws to become increasingly outdated.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.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 3906 amends the Election Code to authorize each campaign finance report filed with the Texas Ethics Commission (TEC) that is not required to be filed electronically to be typed or written in blue ink as an alternative to black ink. The bill removes references to certain obsolete technology and requirements regarding the format of computer printouts.

H.B. 3906 includes political advertising that is authorized by an agent of a political committee filing campaign finance reports among the advertising that is deemed to contain express advocacy.

H.B. 3906 amends the Government Code to include among the conditions that must be satisfied to trigger the mandatory dismissal by the TEC of a complaint alleging a statement, registration, or report violates a law or rule the respondent's filing, with the corrected or amended statement, registration, or report, of an affidavit stating that any error or omission in the statement, registration, or report as originally filed was made in good faith.

H.B. 3906 revises the requirement for the TEC to provide a certain notice to each individual who is required to file a personal financial disclosure statement as follows:

- removes the requirement that the notice be provided by mail; and
- requires the notice to instruct the individual of the manner in which they may access instructions for filing financial statements and electronically file the financial statement on the TEC website.

The bill repeals provisions requiring the TEC to mail a copy of the forms and instructions for the report to an individual on request and authorizing the TEC to charge a fee for that mailing and further revises the required contents of the notice accordingly.

H.B. 3906 resolves statutory conflicts in Section 305.024(a), Government Code, which establishes restrictions on expenditures by a person required to register under statutory provisions relating to lobbyist registration, by doing the following:

- reenacting Section 305.024(a), as amended by Chapter 206 (H.B. 1508), Acts of the 79th Legislature, Regular Session, 2005, which makes the restrictions applicable only with respect to a member of the legislative or executive branch and expressly excludes from the restrictions an expenditure for food or beverages with a value of \$50 or less intended as a gift for a member of the legislative or executive branch and delivered by first class U.S. mail or by common or contract carrier outside the Capitol Complex; and
- repealing conflicting provisions which did not include that exception and which made certain of the expenditure restrictions applicable also with respect to the following:
 - state legislators and other elected or appointed state officers;
 - legislative and executive agency employees;
 - guests, when invited by any such individual; and
 - the immediate family of a member of the legislative or executive branch.

H.B. 3906 resolves statutory conflicts in Section 572.032(a-1), Government Code, which restricts public access to certain information contained in a personal financial statement filed with the TEC, by doing the following:

- reenacting Section 572.032(a-1), Government Code, as amended by Chapter 983 (H.B. 776), Acts of the 85th Legislature, Regular Session, 2017, which requires the TEC to remove the home address, the telephone number, and the names of the dependent children of an individual from the statement before doing any of the following:
 - permitting a member of the public to view the statement;
 - providing a copy of the statement to a member of the public; or
 - making the statement available to the public on the TEC website; and
- repealing conflicting provisions that require the TEC to remove only the home address of a judge, justice, or member of the governing board of executive head of the Texas Civil Commitment Office from a statement before permitting a member of the public to view the statement or providing a copy of the statement to a member of the public.

H.B. 3906 resolves statutory conflicts in Section 571.122(b-1), Government Code, which grants standing to certain individuals to file a sworn complaint with the TEC, by repealing a provision that grants standing to an individual who is not a Texas resident but who owns real property in Texas to file such a complaint.

H.B. 3906 repeals the following provisions:

- Section 2, Chapter 92 (S.B. 1011), Acts of the 79th Legislature, Regular Session, 2005;
- Section 15, Chapter 34 (S.B. 1576), Acts of the 85th Legislature, Regular Session, 2017;
- Section 571.122(b-1), Government Code, as added by Chapter 604 (H.B. 677), Acts of the 81st Legislature, Regular Session, 2009; and
- Sections 572.030(d) and (e), Government Code.

EFFECTIVE DATE

September 1, 2021.