

BILL ANALYSIS

C.S.H.B. 5182
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State Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

According to *The Texas Tribune*, between January 2015 and June 2024 the Texas Ethics Commission (TEC) referred 2,500 unpaid fines to the attorney general for enforcement, for which only 175 enforcement lawsuits were filed. The *Tribune* has also reported that the number and amount of delinquencies has increased in recent years, rising from 327 filers owing \$1.3 million in fines in 2019 to 750 filers owing \$3.6 million through June 2024. Furthermore, according to the TEC's 2023 Self-Evaluation Report, between the fiscal years 2018 and 2022, the value of the TEC's unpaid violations totaled \$1,478,500, which if paid, would go to the general revenue fund. C.S.H.B. 5182 seeks to address this issue by granting the TEC the authority to contract with outside legal counsel for the purpose of collecting unpaid civil penalties imposed by the TEC.

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

C.S.H.B. 5182 amends the Government Code to exempt the Texas Ethics Commission (TEC) from the applicability of statutory provisions relating to outside counsel and the provision of legal services by the attorney general for executive branch state agencies.

C.S.H.B. 5182 authorizes the TEC to use appropriated money to contract with outside legal counsel for the purpose of collecting a civil penalty the TEC imposes and establishes that the TEC is not required to request or obtain approval from the attorney general before contracting with that legal counsel. The bill requires the comptroller of public accounts to deposit to the credit of the general revenue fund the proceeds from a civil penalty collected for a violation of a law the TEC administers and enforces and that is not paid voluntarily. The bill restricts the appropriation of money the comptroller deposits to the credit of the general revenue fund to the TEC for the purpose of collecting civil penalties for a violation of a law the TEC administers and enforces.

C.S.H.B. 5182 authorizes the TEC to employ, retain, or contract with a person other than a full-time state employee to collect delinquent obligations owed to the TEC in the TEC's official capacity and to use money appropriated to the TEC for the purpose of enforcing laws administered and enforced by the TEC to do so. The bill entitles a person contracted to collect such delinquent obligations to a collection fee, as provided under the contract, in an amount not

to exceed 30 percent of the full amount of the obligation collected. The bill authorizes the TEC to contract with one or more persons to collect delinquent obligations that have been referred to the attorney general if the attorney general has returned the matter to the TEC after exhausting all reasonable efforts or has not taken action to collect the obligation before the sixth month after the date the attorney general received the referral. The bill entitles a person contracted to collect such delinquent obligations to a collection fee equal to 30 percent of the full amount of the obligation collected. The bill makes statutory provisions regarding collection efforts for delinquent obligations with respect to a person awarded a contract or acting under contract for purposes of those collection efforts applicable to these provisions of the bill.

EFFECTIVE DATE

September 1, 2025.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 5182 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute omits the following provisions that appeared in the introduced:

- a provision expanding the eligibility requirements to be a candidate for, or elected or appointed to, a public elective office in Texas to include a requirement that the person has paid in full any civil penalty or fine the TEC has imposed as follows:
 - if the office is to be filled by an election, prior to the first date of the regular filing period for a candidate's application for a place on the ballot; or
 - if the office is to be filled by an appointment, prior to the date of appointment;
- a provision establishing that the following prohibitions under statutory provisions relating to the restrictions on personal use of contributions include the personal use of a political contribution to pay a civil penalty or fine the TEC imposes:
 - the prohibition against a person who accepts a political contribution as a candidate or officeholder converting the contribution to personal use; and
 - the prohibition against a specific-purpose committee that accepts a political contribution converting the contribution to the personal use of a candidate, officeholder, or former candidate or officeholder; and
- a provision raising the base civil penalty assessed generally for a late campaign finance report from \$500 to \$1,001.