

BILL ANALYSIS

Senate Research Center

S.B. 1460
By: Campbell
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Ethical accountability and transparency in public service are fundamental to maintaining public trust in governmental institutions. Across various sectors, ethical violations undermine confidence in decision-making processes, erode trust in regulatory agencies, and can lead to unfair advantages for those who disregard legal and ethical standards. The Texas Ethics Commission (TEC) is tasked with administering and enforcing ethical standards among public officials, candidates, and other individuals or entities subject to its jurisdiction.

However, despite existing enforcement mechanisms, a gap remains in ensuring continued accountability for individuals who have been determined to have violated ethics laws. While penalties may be imposed, there has been no centralized, publicly accessible mechanism to track confirmed violations nor a direct linkage between ethical violations and professional licensure in Texas. Consequently, individuals who have engaged in misconduct may continue to operate in regulated professions without accountability.

In response to this concern, S.B. 1460, the Texas Ethics Compliance Act, establishes a public registry of individuals who have been found to have violated laws administered by TEC. This registry ensures that final determinations of ethical violations are recorded and made publicly available online (final determination meaning (1) a penalty for the violation has been imposed and (2) the person has exhausted all rights to appeal the determination). Additionally, the legislation introduces provisions linking ethical compliance to state-issued professional licenses and would require state agencies that oversee the issuance and renewal of professional licenses to ensure that a license applicant is not on the TEC registry before issuing or renewing that license.

Additionally, S.B. 1460 contains provisions to ensure state agencies' rules afford the denied applicant due process and that the applicant is provided the opportunity to contest the denial or suspension of their license. Once the TEC violations have been cleared, the applicant is able to reapply for issuance or renewal of the license.

Lastly, S.B. 1460 is retroactive, in that those with violations prior to the effective date of the bill would be required to resolve their violations with the TEC before being able to apply for issuance or renewal of a license.

As proposed, S.B. 1460 amends current law relating to the ethics violations registry maintained by the Texas Ethics Commission and the requirement that state agencies verify an applicant's status on the registry before issuing or renewing a license.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Ethics Commission in SECTION 2 (Section 571.178, Government Code) of this bill.

Rulemaking authority is expressly granted to each state agency with licensing authority in SECTION 3 (Section 2001.008, Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Authorizes this Act to be cited as the Texas Ethics Compliance Act of 2025.

SECTION 2. Amends Chapter 571, Government Code, Subchapter B, by adding Section 571.178, as follows:

Sec. 571.178. ETHICS VIOLATIONS REGISTRY. (a) Requires the Texas Ethics Commission (TEC) to establish and maintain an Texas Ethics Violations Registry that is made available on TEC's Internet website that lists individuals and entities with ethics violations under the Government Code.

(b) Requires an individual or entity to be placed on the registry upon TEC issuing a fine related to a violation and the individual or entity has exhausted all appeals opportunities.

(c) Requires that the registry include the name of the individual or entity, the nature of the violation, the date the violation was issued, and any actions taken by TEC regarding the violation.

(d) Requires TEC to remove an individual or entity from the registry upon compliance with all administrative penalties, fines, or corrective actions required as a result of the ethics complaint.

(e) Requires TEC to adopt rules to ensure due process protections for individuals and entities placed on the registry, including notice and the opportunity to contest placement.

SECTION 3. Amends Chapter 2001, Government Code, Subchapter A, by adding Section 2001.008, as follows:

Sec. 2001.008. ETHICS VIOLATIONS REGISTRY REVIEW FOR LICENSING PURPOSES. (a) Requires each state agency with licensing authority, before issuing or renewing a license, to verify whether the applicant is listed on the Texas Ethics Violations Registry.

(b) Provides that state agencies include, but are not limited to the Texas Department of Licensing and Regulation, the Texas Department of Motor Vehicles, the Texas Medical Board, the State Bar of Texas, the Texas Real Estate Commission, the Texas Commission on Law Enforcement, the Texas Department of Insurance, the Texas Alcoholic Beverage Commission, and any other licensing agency designated by TEC.

(c) Provides that, if an applicant is listed on the Texas Ethics Violations registry, the licensing agency is required to take certain actions.

(d) Requires the licensing agency to adopt rules to ensure procedural fairness for applicants and provide a mechanism for applicants to challenge adverse licensing decisions based on registry status.

SECTION 4. Requires TEC and each state agency subject to this Act, as soon as possible after the effective date of this Act, to adopt rules and procedures necessary for implementation.

SECTION 5. Provides that, except as otherwise provided by rules adopted by TEC under Section 571.178, Government Code, as added by this Act, the withholding of licenses issued or renewed applies to all violators of TEC violations before, on, or after the effective date of this Act.

SECTION 6. Effective date: September 1, 2025.