

By: Tepper

H.B. No. 1804

Substitute the following for H.B. No. 1804:

By: Phelan

C.S.H.B. No. 1804

A BILL TO BE ENTITLED

AN ACT

relating to compliance with the filing requirements of certain reports of political contributions and expenditures and financial statements, including as a qualification for public elective office; providing an administrative penalty.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter A, Chapter 141, Election Code, is amended by adding Section 141.005 to read as follows:

Sec. 141.005. FAILURE TO FILE CERTAIN FINANCIAL REPORTS AND STATEMENTS: INELIGIBILITY AS CANDIDATE OR OFFICEHOLDER. (a) This section:

(1) applies only to a report or financial statement that is required to be filed under:

(A) Chapter 254 by a candidate or officeholder;

(B) Subchapter B, Chapter 572, Government Code;

(C) Chapter 145, Local Government Code; or

(D) Chapter 159, Local Government Code; and

(2) does not apply to a corrected or amended report or statement that is considered to be late under Section 571.0771, Government Code, for purposes of any applicable civil penalty for late filing of the report or statement.

(b) Unless the candidate or officeholder is granted a 30-day extension in accordance with Subsection (e), a candidate or officeholder who fails to file a report or statement to which this

section applies before the 30th day after the date the report or statement is due is ineligible to be a candidate for or to hold the public office for which the report or statement is required until the succeeding election for that office after the date the candidate or officeholder becomes ineligible under this subsection.

(c) If a candidate or officeholder fails to file a report or statement to which this section applies by the date the report or statement is due, the authority with whom the report or statement is required to be filed may provide to the candidate or officeholder written notice of:

(1) the candidate's or officeholder's failure to file the report or statement; and

(2) the date by which the candidate or officeholder must file the report or statement before the candidate or officeholder becomes ineligible under Subsection (b) to be a candidate for or to hold the public office for which the report or statement is required.

(d) Unless the candidate or officeholder who is the subject of the late report or statement is granted a 30-day extension in accordance with Subsection (e), an authority with whom a report or statement to which this section applies is required to be filed shall provide written notice of each candidate or officeholder who fails to file the report or statement before the 30th day after the date the report or statement is due to the appropriate authority under Section 145.003 or, if a certificate of election has been issued, to the appropriate authority for acting on a resignation or

declination relating to the office for which the report or statement is required. The notice must be delivered not later than the 14th day after the date the candidate or officeholder becomes ineligible. On receipt of the notice, the appropriate authority shall declare the candidate or officeholder ineligible.

(e) An authority with whom a report or statement to which this section applies is required to be filed may grant a candidate or officeholder a 30-day extension based on an extraordinary circumstance in accordance with rules the commission adopts.

SECTION 2. Subchapter B, Chapter 254, Election Code, is amended by adding Section 254.04015 to read as follows:

Sec. 254.04015. MONITORING AVAILABILITY OF CERTAIN REPORTS ON INTERNET; ADMINISTRATIVE PENALTY. (a) The commission shall develop procedures for monitoring the Internet websites of each political subdivision that is required to make a report available on the political subdivision's Internet website under Section 254.0401(b) to ensure the political subdivision is in substantial compliance with that requirement.

(b) The commission may assess an administrative penalty in an amount not to exceed \$5,000 against a political subdivision that is not in substantial compliance with the requirement described by Subsection (a). Each day a political subdivision is not in substantial compliance with that requirement constitutes a separate violation for purposes of imposing an administrative penalty under this subsection.

(c) The commission shall adopt rules as necessary to implement this section, including rules defining the meaning of

substantial compliance for purposes of this section.

SECTION 3. Subtitle C, Title 5, Local Government Code, is amended by adding Chapter 181 to read as follows:

CHAPTER 181. JUDICIAL REMOVAL OF CERTAIN PUBLIC OFFICERS

Sec. 181.001. APPLICABILITY. This chapter applies only to a public officer who is required to file a report or financial statement under:

(1) Chapter 254, Election Code;

(2) Subchapter B, Chapter 572, Government Code;

(3) Chapter 145; or

(4) Chapter 159.

Sec. 181.002. GROUNDS FOR REMOVAL. In addition to any other law under which the officer may be removed, a public officer to whom this chapter applies may be removed from office if the officer is ineligible to hold the office under Section 141.005, Election Code.

Sec. 181.003. PROCEDURES FOR REMOVAL. A public officer to whom this chapter applies may be removed from office under this chapter using the same procedures for removing a county officer under Subchapter B, Chapter 87.

SECTION 4. Section 141.005, Election Code, as added by this Act, applies only to the eligibility of a person to be a candidate for an office for which an application for a place on the ballot is required to be filed on or after January 1, 2026.

SECTION 5. The changes in law made by this Act apply only to a report under Chapter 254, Election Code, that is required to be filed on or after the effective date of this Act. A report under that chapter that is required to be filed before the effective date

1 of this Act is governed by the law in effect on the date the report
2 is required to be filed, and the former law is continued in effect
3 for that purpose.

4 SECTION 6. (a) Not later than December 1, 2025, the Texas
5 Ethics Commission shall adopt rules as required by Section
6 254.04015, Election Code, as added by this Act.

7 (b) Notwithstanding Section 254.04015, Election Code, as
8 added by this Act, a political subdivision is not subject to an
9 administrative penalty under that section before January 1, 2026.

10 SECTION 7. This Act takes effect September 1, 2025.