

SUBJECT: Electronic reporting of certain political contributions and expenditures

COMMITTEE: Elections — favorable, without amendment

VOTE: 5 ayes — Denny, Howard, Bohac, Harper-Brown, Uresti

0 nays

2 absent — Deshotel, Coleman

WITNESSES: For — Adina Levin, Campaigns for People and Electronic Frontier Foundation; Fred Lewis, Show Us the Money Coalition; (*Registered but did not testify:*) Scott Atnip, Texas Impact; Maxine Barkan, League of Women Voters; Conor Kenny, Public Citizen; Molly Beth Malcolm, Texas Democratic Party; Craig McDonald, Texans for Public Justice; Clint Smith, Rosewood Neighborhood Association, NAACP, and Grey Panthers; Suzy Woodford, Common Cause of Texas

Against — None

On — Karen Lundquist, Texas Ethics Commission; (*Registered but did not testify:*) Jesse Lewis, Republican Party of Texas; Kristin Newkirk, Texas Ethics Commission

BACKGROUND: In 1999, the 76th Legislature enacted HB 2611 by Greenberg (Election Code, sec. 254.036), which requires certain political candidates to file campaign finance reports electronically. The law applies to candidates for statewide office; for a district office filled by voters of more than one county, including courts of appeal; for state senator or state representative; and for the State Board of Education, as well as to political committees. The Texas Ethics Commission (TEC) posts this information, excluding the address of the donor, on the Internet for public access. Donor address information is available for review at the TEC.

Candidates, officeholders, and political committees are exempt from the electronic filing requirement if they swear by affidavit that they do not use a computer to track their donations, contributors, and expenditures or if their

contributions and expenditures do not exceed \$20,000 in a calendar year. TEC imposes a fine of \$100 for untimely reporting, except for a report due eight days before an election, for which the fine is \$100 per day.

DIGEST: HB 999 would amend the Election Code to repeal the exemption that allows candidates, officeholders, and political committees to file campaign finance reports in written form rather than by electronic transfer because they do not use a computer to track their records of political contributions, expenditures, or contributors.

The bill would take effect September 1, 2003.

SUPPORTERS SAY: Electronic filing of campaign finance reports is the cornerstone of full and timely disclosure of who is spending money in the political process. Without prompt and accurate information, voters who wish to make more informed choices find it very difficult to find out who is backing a certain candidate. TEC does not post on the Internet the reports filed on paper, and anyone wishing to view that information must go to the TEC office in Austin and inspect the paper reports or ask for the reports to be mailed at a cost of 10 cents per page plus postage.

The exemption from electronic reporting that allows candidates who claim not to use a computer to keep track of their records is being abused, contrary to the intent of the electronic disclosure law. The intent was to protect small, grassroots campaigns that do not raise large sums of money and may not be able to afford computers. Those entities still could use the exemption as long as they did not raise or spend more than \$20,000 a year.

It is not credible to claim that someone who may raise hundreds of thousands of dollars is either not computer literate, does not have staff who are computer literate, or does not have access to a computer. People may file electronic reports by using publicly accessible computers with Internet access and web browser software. State agencies, cities, counties, school districts, and public libraries must allow the use of their computers for this purpose.

Texas already is playing a leading role in electronic government, and HB 999 would bring more campaigns and elected officials into the 21st century and into the public's view.

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**OPPONENTS
SAY:**

HB 999 would impose burdensome and time-consuming requirements on candidates and officeholders who do not have or use computers. They would be forced to purchase a computer or use a publicly accessible computer. The information contained in the paper reports is available at TEC for anyone who wishes to view it.

NOTES:

A related bill, HB 1010 by Denny, which would direct TEC to develop and implement a system for electronic filing of personal financial statements, has been referred to a subcommittee of the Elections Committee.