

- SUBJECT:** Format for local political contribution and expenditure reports
- COMMITTEE:** Elections — favorable, without amendment
- VOTE:** 7 ayes — Denny, Bohac, Anchia, Anderson, Hughes, J. Jones, T. Smith  
0 nays
- WITNESSES:** For — Helen Valkavich, City of San Antonio; (*Registered, but did not testify*: Maxine L. Barkan, League of Women Voters of Texas; Fred Lewis, Campaigns for People; Suzy Woodford, Common Cause Texas)  
Against — None  
On — Natalia Luna Ashley, Texas Ethics Commission
- BACKGROUND:** The Texas Ethics Commission (TEC) administers and enforces Title 15 of the Election Code. Under sec. 254.036, candidates and officeholders who file campaign finance reports with the TEC are, in most cases, required to file them electronically. However, city candidates and officeholders are required to file campaign finance reports with the city filing authority, instead of with the TEC, and are required to file on a form or computer printout prescribed by the TEC. If the report is a computer printout, it must be a likeness of the commission's standard form.  
  
On November 12, 2004, the TEC issued Ethics Advisory Opinion number 459 specifying that a home-rule city may adopt an ordinance requiring city candidates and officeholders to submit reports electronically, rather than on paper, as long as the ordinance requires the filing authority to make available, upon request, a paper copy of the report. This paper copy of the report must look like the standard form the commission requires for this purpose.
- DIGEST:** HB 1071 would amend section 254.036(a) of the Election Code to require that reports filed with an entity other than the TEC, such as TEC-required reports filed with local governing authorities, be filed in a format, rather than on a form, prescribed by the commission.

Reports filed with the TEC that are not required to be filed electronically or via some other specified computer-based format would have to be on a form prescribed by the TEC or be on a computer printout that looked like the TEC-required form.

The bill would take effect September 1, 2005.

**SUPPORTERS  
SAY:**

The Texas Ethics Commission should have the authority with respect to the filing of campaign finance reports with authorities other than the TEC to prescribe the report format, rather than requiring a form, as the current statute describes. This would allow the commission to authorize cities to implement electronic filing or other technology for candidates. Electronic filing would facilitate faster reporting and improve the public access to campaign funding information.

The Texas Ethics Commission already has issued an advisory opinion advising home-rule cities they could file electronically under certain circumstances. HB 1071 would extend this option by statute to other political subdivisions such as school districts and counties.

**OPPONENTS  
SAY:**

Although HB 1071 still would allow local governments to accept handwritten or typed reports on the TEC-prescribed form, the bill could be one more step towards computer-only requirements for filing these reports. Some smaller local government entities in Texas have not incorporated computers into their day-to-day operations, and computer-only or computer-dominated formats for filing these reports could be a problem for them. If the TEC eventually stopped sending local governments hard copies of the report forms, then these local governments would have difficulty obtaining the most recent versions of the form to give to candidates.