

- SUBJECT:** Electronic delivery of certain financial statements and reports
- COMMITTEE:** Elections — favorable, without amendment
- VOTE:** 7 ayes — Morrison, Miles, Johnson, Klick, R. Miller, Simmons, Wu
0 nays
- WITNESSES:** For — George Hammerlein, Harris County Clerk’s Office; (*Registered, but did not testify:* Trigg Edwards, Public Citizen; Donald Lee, Texas Conference of Urban Counties; Seth Mitchell, Bexar County; Cathy Sisk, Harris County)

Against — None
- BACKGROUND:** Government Code, sec. 572.029 governs deadlines by which certain persons must file financial statements with the Texas Ethics Commission. The deadline for filing a financial statement is 5 p.m. of the last day designated, unless the last day is a Saturday, Sunday, or holiday, in which case the deadline is the next day that is not a Saturday, Sunday, or holiday. Financial statements are considered timely filed if properly addressed and sent via U.S. mail or a common or contract carrier by the last day for filing a statement.
- Local Government Code, sec. 145.004 requires a municipal officer of a municipality with a population of 100,000 or more, or an appointee or candidate for such office, to file a financial statement with the municipality according to various dates and timeframes established in the Government Code. The timeliness of these filings is governed by Government Code, sec. 572.029.
- Local Government Code, ch. 159 provides for such filings by county officers, candidates, and employees of a county with a population of 100,000 or more and justices of the peace or JP candidates of a county with a population of 125,000 or more. The timeliness of these filings also is governed by Government Code, sec. 572.029.
- Election Code, sec. 254.036 governs the format and delivery of financial reports filed by political funds and campaigns. The Texas Ethics

Commission prescribes the format for these reports, whether they are filed with the commission or with another authority.

DIGEST:

HB 1035 would amend Election Code, sec. 245.036 to allow financial reports filed with authorities other than the Texas Ethics Commission to be filed:

- by mail or common or contract carrier;
- in person; or
- by electronic filing.

An authority would be required to accept an electronic filing only if it had adopted rules and procedures for electronic filing and would be required to issue an electronic receipt.

The bill also would amend Local Government Code, secs. 145.004, 159.004, and 159.053, and would add sec. 159.0341 to allow timely filing by those subject to these sections to include statements that were personally delivered by 5 p.m. on the final day or electronically filed by midnight on that day. An authority would be required to accept an electronic filing only if it had adopted rules and procedures for electronic filing.

The bill would take effect September 1, 2013, and would apply only to financial statements required to be filed on or after January 1, 2014.

SUPPORTERS
SAY:

HB 1035 would bring the Texas financial reporting statutes into the 21st century and would make them more uniform.

Current law does not always allow for electronic submission of these financial reporting statements, but it does require authorities receiving the reports to post them online, creating extra work. Authorities must accept and scan paper filings in order to post them online, when both those submitting and those receiving the reports would prefer electronic submissions. HB 1035 would streamline the process, reducing the workload for the receiving entities. It also would allow faster posting with less room for human error and uploaded documents with better image quality.

This streamlined process also would improve transparency. Often watchdogs and journalists who use the online reports are frustrated with

the delay caused by the need to manually scan and upload the reports. Allowing electronic submission would expedite the process and allow public access to the financial reports more quickly. The receiving authorities could program an automated process to upload reports as they were received, providing instant access for the public.

OPPONENTS
SAY:

No apparent opposition.

NOTES:

The identical companion bill, SB 755 by Patrick, was referred to the Senate State Affairs Committee on February 26.