

- SUBJECT:** Ethics Commission procedures, authority relating to local officials
- COMMITTEE:** State Affairs — committee substitute recommended
- VOTE:** 8 ayes — Cook, Giddings, Farney, Geren, Harless, Huberty, Kuempel, Smithee
- 0 nays
- 4 absent — Craddick, Farrar, Oliveira, Sylvester Turner
- WITNESSES:** For — Tom “Smitty” Smith; (*Registered, but did not testify:* David Power, Public Citizen; Paul Silver, Texas Anti-Corruption Campaign; Donnis Baggett, Texas Press Association; Jeffrey Knoll)
- Against — Kristen McDonald, Empower Texans; Dalton Oldham, Empower Texans, Texas Right to Life; Joe Nixon and Trey Trainor, Empower Texans, Texas Right to Life, and Texas Home School Coalition; Tony McDonald, Empower Texans, Law Offices of Tony McDonald; (*Registered, but did not testify:* Ann Hettinger, Concerned Women for America of Texas; Michael Quinn Sullivan, Empower Texans; Dustin Matocha, Texans for Fiscal Responsibility; MerryLynn Gerstenschlager, Texas Eagle Forum; Jeremy Newman, Texas Home School Coalition; Emily Horne and Emily Kebodeaux, Texas Right To Life; Jonathan Saenz, Texas Values Action; and five individuals)
- On — (*Registered, but did not testify:* Natalia Ashley, Texas Ethics Commission)
- BACKGROUND:** Government Code, ch. 571 governs the Texas Ethics Commission. It gives the commission authority to administer and enforce certain laws, including Government Code, ch. 572, which deals with financial disclosure statements required of certain officials. In a December 2014 report, the commission outlined numerous proposed revisions to its statutes, including those governing its procedures and its authority as it relates to local officials.

DIGEST: **Administration and enforcement authority.** CSHB 22 would revise the list of laws that the Ethics Commission must administer and enforce as part of its general powers and duties to include statutes governing certain local officials. Added to the list would be:

- Local Government Code, ch.145 provisions requiring municipal officers in a city with a population of 100,000 or more, to the extent that the officers are required under that chapter to file a personal financial statement with the commission;
- Local Government Code, ch. 159 provisions requiring a county and precinct officers in counties with populations of 100,000 or more and county and precinct officers in counties with populations of 125,000 or more to the extent that the officers are required under that chapter to file personal financial statements with the commission;
- Government Code, ch. 30.00044(j) provisions requiring a municipal judge of Lubbock to file personal financial statements with the commission; and
- any requirement under state law that a local officer must file a personal financial disclosure statement.

The commission would be required to prepare an advisory opinion answering a request from a person subject to the same laws listed above.

Notifications. The commission would be required to adopt rules establishing how the commission would notify anyone or provide notice as required under Government Code, ch. 571, which covers ethics; Government Code, ch. 305 which covers the registration of lobbyists; and Election Code, title 15, which covers regulating political funds and campaigns.

The bill would eliminate requirements that the commission *mail* certain notifications to those required to file financial disclosure statements with the commission. Instead the commission would be required to *notify* individuals of certain information concerning the statements, including the

way to file the statements electronically. The current deadlines for making these notifications could be amended by commission rule, as could the current requirements that the commission mail financial statement forms.

Confidential information. The commission would be given authority, under certain circumstances, to disclose to law enforcement agencies certain information that currently is confidential and that relates to preliminary review hearings, sworn complaints, and motions. The disclosure would have to be made to protect the public interest and be disclosed only to the extent necessary for the law enforcement agency to perform a duty or function that was in addition to the commission's duties or functions. The disclosed information would remain confidential. It would be a class C misdemeanor (maximum fine of \$500) to disclose information obtained under this provision.

Other provisions. CSHB 22 would make confidential electronic report data saved in a commission temporary storage location for later retrieval and editing. After a report was filed, the information disclosed in the report would be subject to the law that required the filing of the report.

The bill would define “groundless” for the purpose of assessing civil penalties for complaints that were frivolous and brought in bad faith. Complaints would be considered groundless if they did not allege a violation of the law that was material, nonclerical, or nontechnical.

This bill would take effect September 1, 2015.