

BILL ANALYSIS

Senate Research Center
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S.B. 339
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DIGEST AND PURPOSE

Currently, state law does not require municipal officers or candidates for municipal offices filled by election or appointment to file financial disclosure statements. Nationwide, 17 states require municipal officers to file annual statements of financial interest. Additionally, three other states have various forms of financial disclosure laws, which are made applicable to municipal officers. As proposed, S.B. 339 brings municipal officers under state financial disclosure laws along with county and state officers. This bill also expands state financial disclosure laws to require municipal officers or candidates for municipal office filled by election or appointment to file financial disclosure statements.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Title 5A, Local Government Code, by adding Chapter 145, as follows:

CHAPTER 145. FINANCIAL DISCLOSURE BY MUNICIPAL OFFICERS

Sec. 145.001. DEFINITION. Defines “municipal officer.”

Sec. 145.002. FINANCIAL STATEMENT REQUIRED. Requires a municipal officer or a candidate for municipal office filled by election to file a financial statement with the clerk or secretary of the municipality in which the officer or candidate resides, as required by this chapter, except as provided by Section 145.003, and comply with Sections 572.022 and 572.023, Government Code.

Sec. 145.003. STATEMENT PERIOD FOR CERTAIN CANDIDATES. Requires candidates for municipal officers filled by an election held on the third Saturday in January to include financial activity of themselves, their spouse, and their dependent children in a financial statement as required by section 572.023(a), Government Code, for the current or preceding calendar year, as applicable.

Sec. 145.004. FILING DATES; TIMELINESS OF FILING. Requires a municipal officer and a person who is appointed to a municipal office to file the financial statement required by this chapter within the time prescribed by Sections 572.026(a) and 572.026(c), Government Code, respectively. Sets out filing deadlines and provides that the timeliness of the filing is governed by Section 572.029, Government Code. Authorizes a municipal officer or a person who is appointed to a municipality to grant an extension of not more than 60 days for filing the statement. Requires the clerk or secretary to grant the request if it is received before the filing deadline or if the officer’s physical or mental incapacity prevents the officer from filing the statement or requesting an

extension before the filing deadline. Prohibits a clerk or secretary from granting more than one extension to a person in one year except for good cause shown. Prohibits a clerk or secretary from granting an extension to a candidate for a municipal office filled by election.

Sec. 145.005. PREPARATION OF FORMS. Authorizes the clerk or secretary of the municipality to make certain decisions regarding the filing form. Requires the clerk or secretary to mail two copies of the form to each person required to file under this chapter within the time prescribed by Section 572.030(c), Government Code.

Sec. 145.006. DUPLICATE OR SUPPLEMENTAL STATEMENTS. Provides that a person is not required to file more than one financial statement covering the preceding year for another provision under this chapter if the person notifies the clerk or secretary of the municipality in writing that the person has already filed a financial statement under this chapter before the deadline for filing. Requires the person to file a supplemental statement within the time prescribed by Section 572.026(a), Government Code, if a person has filed a financial statement under Section 145.003(1) and is elected to municipal office at the election as to which the statement was filed, but does not require the supplemental statement to include financial activity included in the financial statement.

Sec. 145.007. PUBLIC ACCESS TO STATEMENTS. Requires financial statements filed under this chapter to be made available to the public by the clerk or secretary of the municipality in a certain manner. Requires the clerk or secretary of the municipality or any of their employees, until the first anniversary of the date a financial statement is filed, to place and retain in the file the name and address of the person who requests to see the financial statement, whom the person represents, and the date of the request. Authorizes the clerk or secretary of the municipality to destroy any financial statements after the second anniversary of the date an officer or candidate ceases to be an officer or candidate, or on notification by the officer or candidate. Requires the clerk or secretary of the municipality to destroy any financial statements filed by an officer or candidate, upon their request, after the second anniversary of the date the person ceases to be an officer or candidate, as applicable.

Sec. 145.008. CRIMINAL PENALTY. Provides that a municipal officer or a candidate for a municipal office filled by election commits a class B misdemeanor if the officer or candidate knowingly fails to file a financial statement as required by this chapter. Provides that it is a defense to prosecution under this section that the officer or candidate did not receive copies of the financial statement form required to be mailed to the officer or candidate by this chapter.

Sec. 145.009. CIVIL PENALTY. Authorizes a person to notify the attorney of the municipality in writing, if that person determines that a person responsible for filing a financial statement failed to do so. Requires the municipal attorney to determine from available evidence if the person responsible failed to file a financial statement, and requires the municipal attorney to send a notice by certified mail of the determination to the person responsible for filing the statement. Provides that the person is civilly liable to the municipality for an amount not to exceed \$1,000, that is required to be deposited into the general fund of the municipality, if the person fails to file a statement before the 30th day after receiving the notice of determination.

SECTION 2. Provides that Chapter 145, Local Government Code, as added by this Act, applies beginning December 1, 2002. Provides that a municipal officer or candidate for municipal office is not required to include financial activity occurring before January 1, 2002, in a financial disclosure statement under Chapter 145, Local Government Code, as added by this Act.

SECTION 3. Effective date: September 1, 2001.