

SUBJECT: Electronic filing campaign finance reports, personal financial statements

COMMITTEE: General Investigating and Ethics — favorable, without amendment

VOTE: 6 ayes — Kuempel, Collier, S. Davis, Larson, Moody, C. Turner
0 nays
1 absent — Hunter

SENATE VOTE: On final passage, May 6 — 31-0

WITNESSES: None

BACKGROUND: Elections Code, ch. 254 governs the reporting of political funds and campaigns.

Government Code, ch. 572 governs personal financial disclosures, standards of conduct, and conflicts of interest.

Currently, local officeholders and candidates are allowed to file personal financial statements with local authorities, but it is unclear whether they are required to use locally developed software or the Texas Ethics Commission’s newly developed electronic filing system.

Because not all local authorities in Texas, especially in rural and smaller counties, have the resources to develop an electronic filing system, electronic filing may not be widely adopted in these localities. Electronic filing also may not be widespread among state-level candidates and officeholders.

DIGEST: SB 1437 would allow state and local candidates and officeholders to use the Texas Ethics Commission (TEC) electronic filing application to file campaign finance reports and personal financial statements with TEC and with local filing authorities equipped to receive such filings.

Campaign finance reports. The bill would allow a report filed with an authority other than the TEC to be filed electronically using computer software developed by the TEC if the authority with whom the report was required to be filed had adopted rules and procedures for the filing of the report using the software.

Personal financial statements. The bill would require a personal financial statement for a state officer to be filed with the TEC by computer diskette, modem, or other means of electronic transfer using computer software provided by the TEC or computer software that met TEC specifications for a standard file format.

Each personal financial statement filed with a filing authority other than the TEC that was not filed electronically would have to be accompanied by a sworn affidavit. Personal financial statements would be considered to be under oath, subjecting a person to prosecution for perjury and other falsification, regardless of the absence of or a defect in the affidavit.

The bill would exempt a person who electronically filed a financial statement with the TEC or another filing authority from the requirement to include a notarized affidavit with the financial statement if the person used an electronic filing password under rules of the TEC or other authority.

The bill also would amend the Local Government Code to allow certain local candidates and officeholders to file financial statements electronically using computer software developed by the TEC if the authority with whom the report was required to be filed had adopted rules and procedures to provide for the filing of the statement using the software.

The bill would take effect September 1, 2015, and changes regarding financial statements would apply only to a financial statement due on or after the effective date of the act.