

SUBJECT: Revising certain campaign finance and state ethics laws

COMMITTEE: State Affairs — favorable, without amendment

VOTE: 11 ayes — Paddie, Hernandez, Deshotel, Harless, Hunter, P. King, Metcalf, Raymond, Shaheen, Slawson, Smithee

0 nays

2 absent — Howard, Lucio

WITNESSES: For — None

Against — None

On — (*Registered, but did not testify*: JR Johnson, Texas Ethics Commission)

BACKGROUND: Some have suggested that statutory modifications based on certain Texas Ethics Commission recommendations would update the state's campaign finance and ethics laws and help resolve statutory conflicts.

DIGEST: HB 3906 would modify statutes pertaining to campaign finance reports submitted to the Texas Ethics Commission (TEC), political advertising, the dismissal of complaints by TEC, and required notices by the commission to individuals filing financial disclosures. The bill also would reenact and repeal certain portions of the Government Code and make conforming changes to implement the bill's provisions.

Campaign finance reports. The bill would remove language related to outdated technology from statute and specify that campaign finance reports filed with TEC that did not have to be filed electronically could be typed or written in black or blue ink.

Political advertising. The bill would specify that political advertising authorized by an agent of a political committee filing campaign finance

reports would be deemed to contain express advocacy. This provision would apply only to political advertising that was published, distributed, or broadcast on or after the bill's effective date.

Complaint dismissal by TEC. At any stage of a proceeding, TEC would have to dismiss a complaint to the extent the complaint alleged a statement, registration, or report violated a law or rule if the respondent filed an affidavit with a corrected or amended statement, registration, or report stating that any error or omission in the complaint as originally filed was made in good faith.

Required notices. The bill would specify that the required notice by TEC to each individual filing a personal financial statement would not have to be submitted by mail and would have to indicate the manner in which the individual could access instructions for filing statements and electronically file the statement on the commission's internet website.

Provisions requiring the commission to mail a copy of the financial statement forms and instructions to an individual on request and to state the fee for mailing these forms and instructions would be removed.

Reenactments, repeals, and conforming changes. The bill would reenact several portions of the Government Code, repeal corresponding duplicative and conflicting provisions, and make conforming changes to statute as specified in the bill.

The section of code relating to restrictions on certain expenditures as reenacted by the bill would apply only to a loan, gift, or expenditure offered, conferred or agreed to be conferred on or after the bill's effective date. The repeal of the statute relating to eligibility to file complaints with TEC would apply only to a complaint filed with the commission on or after the bill's effective date.

The bill would take effect September 1, 2021.