

## **BILL ANALYSIS**

Senate Research Center  
85R1521 EES-F

S.B. 63  
By: Zaffirini  
State Affairs  
3/24/2017  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The Texas Ethics Commission (TEC) developed a new web application that allows state officials, and could allow local officials, to prepare their respective reports online and from any computer. Because it is more affordable for a locality to build a web platform compatible with TEC's software than to purchase and implement its own electronic filing system, TEC believes it could facilitate electronic filing across the state by sharing its web application with localities that request it. The legislation that allowed local electronic filing, however, failed to specify that TEC electronic filing software could be used for filings with local authorities. S.B. 63 clarifies that persons can use the statewide electronic filing software in localities that have the capacity to adopt it. This change would encourage electronic filing, which is more transparent and efficient and is expected to reduce technical errors.

What's more, due to what appears to be a drafting oversight, the statewide software used for personal financial statements is not required to meet the security and usability standards applicable to campaign filings. Relatedly, different standards for local filers apply when they are filing campaign reports than when they are filing personal financial statements. For campaign reports, local filers are required to verify their identity by including an affidavit with paper filings or an electronic signature with electronic filings. No analogous identity verification standards apply for either paper or electronic filings of electronic financial statements by local officeholders or candidates. S.B. 63 standardizes these requirements to bring uniformity throughout the state for the filing of campaign finance reports and personal financial statements.

As proposed, S.B. 63 amends current law relating to the electronic filing of reports of political contributions and expenditures and of personal financial statements by certain officeholders and candidates and the content of those statements and creates a criminal offense.

### **RULEMAKING AUTHORITY**

Rulemaking authority previously granted to a county clerk is modified in SECTION 5 (Section 159.004, Local Government Code) of this bill.

Rulemaking authority previously granted to an officer with whom a report is required to be filed is modified in SECTION 6 (Section 159.0341, Local Government Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 254.036, Election Code, by adding Subsection (f-1), as follows:

(f-1) Authorizes a report filed under this chapter with an authority other than the Texas Ethics Commission (TEC) to be filed electronically by using computer software developed by TEC, if the authority with whom the report is required to be filed has adopted rules and procedures to provide for the filing of the report using the software.

SECTION 2. Amends Sections 571.0671(a), (b), and (c), Government Code, as follows:

(a) Adds Section 572.0291 (Electronic Filing Required), Government Code, to a list of sections under which computer software provided or approved by TEC must meet certain requirements.

(b) and (c) Makes conforming changes.

SECTION 3. Amends Section 572.023, Government Code, by adding Subsections (e) and (f), as follows:

(e) Requires that certain financial statements be accompanied by an affidavit executed by the person required to file the financial statement. Requires that the affidavit contain a certain statement and sets forth the language for the statement. Provides that a financial statement filed under this chapter (Personal Financial Disclosure, Standards of Conduct, and Conflict of Interest) is considered to be under oath by the person required to file the financial statement, and the person is subject to prosecution under Chapter 37 (Perjury and Other Falsification), Penal Code, regardless of the absence of or a defect in the affidavit.

(f) Provides that a person who electronically files a financial statement with TEC or another filing authority is not required to include a notarized affidavit with the financial statement under certain conditions.

SECTION 4. Amends Section 145.004, Local Government Code, by adding Subsection (h), as follows:

(h) Authorizes a financial statement filed under this chapter to be filed electronically by using computer software developed by TEC if the clerk or secretary of the municipality with whom the statement is required to be filed has adopted rules and procedures to provide for the filing of the statement using the software.

SECTION 5. Amends Section 159.004(f), Local Government Code, to authorize rules adopted by a county clerk to allow a person to file a statement electronically by using computer software developed by TEC.

SECTION 6. Amends Section 159.0341(b), Local Government Code, to authorize rules adopted by an officer with whom a report is required to be filed to allow a person to file a report electronically by using computer software developed by TEC.

SECTION 7. Amends Section 159.053, Local Government Code, by adding Subsection (d) to authorize a financial statement filed under this subchapter to be filed electronically by using computer software developed by TEC if the county clerk with whom the statement is required to be filed has adopted rules and procedures to provide for the filing of the statement using the software.

SECTION 8. Makes application of Section 572.023, Government Code, as amended by this Act, prospective.

SECTION 9. Effective date: September 1, 2017.