

Texas Ethics Commission

S.B. 219 Huffman (D. Bonnen) — Vetoed

Staff Contact: Karl Spock

Strongly held values, divergent public and individual interests, and a sometimes ruthless political environment make crafting and enacting workable solutions in ethics matters a struggle. Complicated, arcane ethics laws are difficult to understand, much less fix. The stakes are high and the perceived effects of changes on potential winners and losers can polarize discourse and harden positions, making common ground hard to find. Expectations for dramatic change can overwhelm other more easily achievable solutions, making such efforts seem small and pointless.

The Sunset review of the Ethics Commission occurred on just such a treacherous landscape and resulted in Senate Bill 219, the Ethics Commission Sunset bill, falling to a gubernatorial veto. The vetoed bill included a Sunset Commission recommendation that revised the Ethics Commission's enforcement authority to distinguish between minor reporting errors and more serious offenses. This revision was intended to clarify for the public the significance of violations, help remove the stigma unfairly placed on public officials accused of being "ethics violators" for minor reporting issues, and allow the agency to better focus its efforts on more significant violations to ensure the integrity of the overall process. Other Sunset Commission recommendations in the bill would have updated the disclosure process in light of technological changes and clarified various provisions in the lobby law to make expectations on lobbyists more apparent.

The Legislature added other provisions to S.B. 219 beyond those recommended by the Sunset Commission. The bill included a "resign-to-run" provision that required a member of the Railroad Commission to resign after announcing or becoming a candidate for other elective office. This provision was intended to keep a sitting commissioner's attention focused on agency business and to discourage use of the office to promote campaign donations in support of another elected position. The bill also enacted a modest reporting fee, effective in fiscal year 2016, to provide more secure funding for ongoing improvements to the Commission's computer systems, critical to efficient and user-friendly reporting. The shortcomings of the agency's technology highlighted in the Sunset review supported the Legislature's ultimate decision to appropriate \$3.5 million to the agency to overhaul its computer technology. The bill also included a series of other provisions changing disclosure or lobby laws.

The Governor's veto proclamation included the bill's resign-to-run and fee provisions among the reasons for the veto. According to the proclamation, the resign-to-run requirement would change the structure of a constitutional agency without the consent of the Texas voters. The proclamation also noted that those filing campaign finance reports should not be charged for participating in a process intended to be transparent to pay for a state agency.

The Ethics Commission is created by state constitution and is not subject to abolishment under the Texas Sunset Act. The next Sunset review of the agency is scheduled for 2025.

The Sunset review of the Texas Ethics Commission resulted in one Sunset Commission recommendation being enacted in legislation other than S.B. 219, and two management actions that are nonstatutory, as summarized below. For additional information see the *Texas Ethics Commission Sunset Final Report with Legislative Action* available on the Sunset Commission website at www.sunset.state.tx.us.

- Clarifies in the Lobby Law that a lobby registrant does not lose any protection under the Lobby Law if reporting a portion of a joint expenditure made by a non-registrant. (H.B. 2984)
- Directs the agency to strengthen systems to verify the completeness and accuracy of disclosure information. (management action – nonstatutory)
- Directs the agency to better track and analyze information such as call volume detail and sworn complaint allegations. (management action – nonstatutory)

Fiscal Implication

The Sunset review resulted in no fiscal impact to the State.