

Campaign Finance for Local Filing Authorities

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TEXAS ETHICS COMMISSION

How Ethics Laws Work

Require public disclosure

- Campaign Finance, Lobby, Personal Finance

Campaign finance disclosure deters actual corruption and avoids appearance of corruption (*Buckley v. Valeo*, 1976)

Helps the electorate evaluate candidates

- Who supports the candidate?
- How does a candidate spend money?
- Pol. adv. disclosure

How Ethics Laws Work



2013 Sunset Advisory Commission report:

- Given the few limits state law places on campaign contributions and expenditures, Texas' approach to ethics relies on disclosure to shine a light on political financial activity for the public to see and judge.



This is where you come in!

Agenda

- ❖ Campaign Finance Basics
- ❖ Local Filing Authority Duties
- ❖ Personal Financial Statements and Other Ethics Forms

Campaign Finance Basics

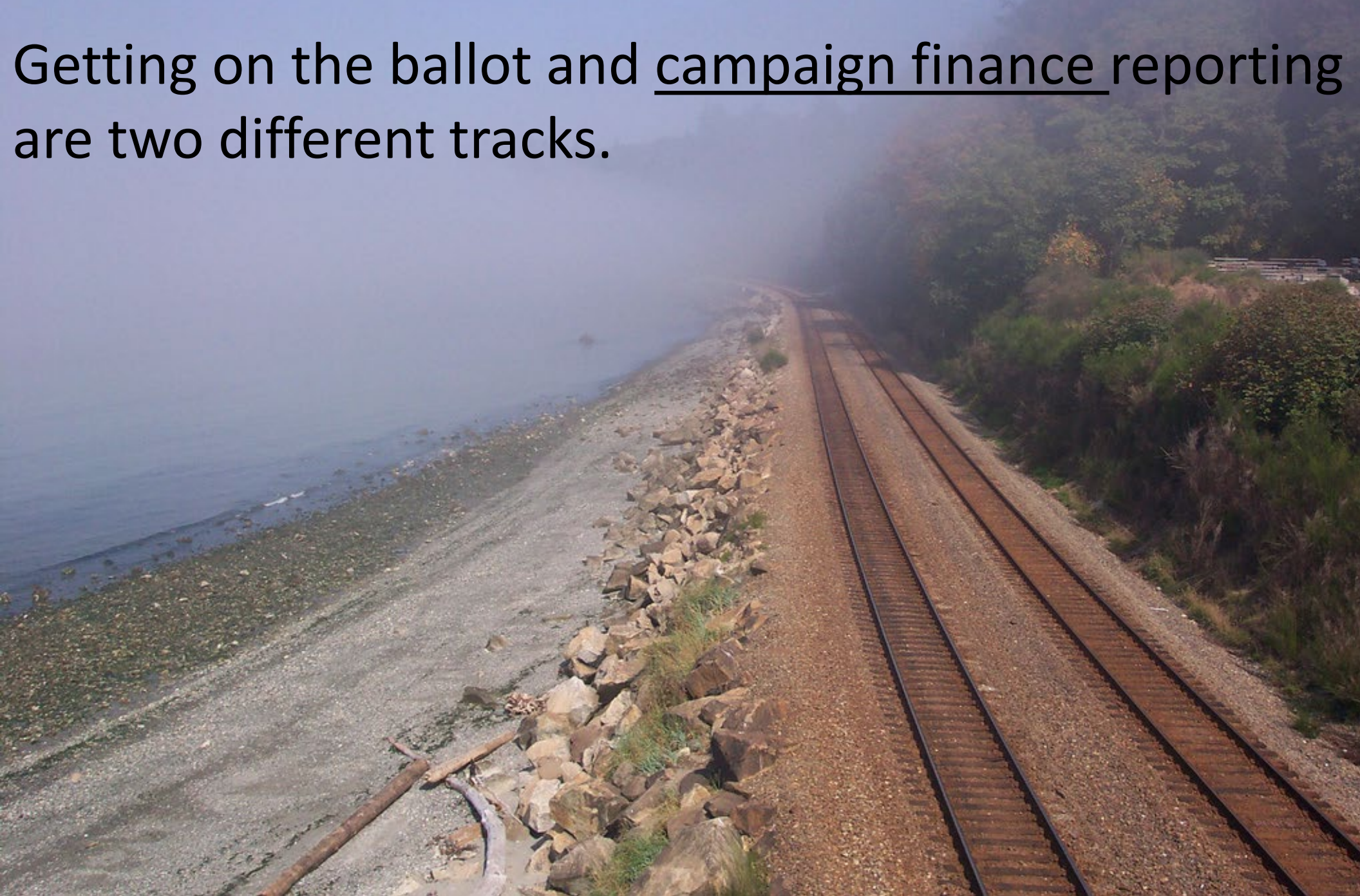
Title 15, Election Code

Regulates accepting, spending, reporting money in political campaigns

Civil and criminal penalties for violations

Not related to ballot access

Getting on the ballot and campaign finance reporting are two different tracks.



Campaign Treasurer Appointment (CTA)

- All candidates for public office must file a CTA.
- Even if candidate does not intend to accept or spend any money (including personal funds spent on campaign)
- Candidate must file Form CTA before accepting or spending money.

§§ 252.001, 253.031

EVERY CANDIDATE
MUST FILE A CTA

Specific-Purpose Committees (SPACs)

SPACs must file a campaign treasurer appointment before accepting or spending over \$1080.

If a candidate has an SPAC, both the candidate and the SPAC must file reports.

Campaign Finance Reports: Regular Filing Schedule

- **Semiannual Reports**

- Jan. 15 and July 15

- **Pre-election Reports (for Opposed Candidates)**

- 30-days before an election

- 8-days before an election

- 8-days before a runoff

May 3, 2025 Election: Key Dates

- **Jan. 15** **Semiannual Report**
- **April 3** **30-day pre-election report**
- **April 25** **8-day pre-election report**
- **July 15** **July semiannual report**

Modified Reporting

- Do not need to file pre-election reports (30-day and 8-day) if filer does not exceed \$1,080 in contributions or expenditures
- Must affirmatively select modified reporting on CTA
- Separate \$1,080 threshold for each election year
- **Candidates/SPACs must still file semiannual reports**

REPORT AFTER THE ELECTION

Even if a candidate or SPAC selects modified reporting, they will still owe at least one semiannual report/final report after the election.

Candidates/SPACs

Must file reports until a “Final Report” is filed (dissolution report for PACs)

Filing a “Final Report” terminates campaign treasurer appointment

Can't have any further campaign activity after filing a “Final Report.”

Report of Unexpended Contributions required for non-officeholder former-candidates who maintain campaign contributions after filing a Final Report

	January Semiannual	30-day pre-election	8-day pre-election	Runoff	July Semiannual
Unopposed Candidate	Yes	No	No	No	Yes
Opposed Candidate	Yes	Yes	Yes	Yes, if in a runoff	Yes
Opposed Candidate w/ modified reporting	Yes	No, if below threshold	No, if below threshold	No, if below threshold	Yes
Officeholder w/ CTA on file	Yes	No, if not on ballot	No, if not on ballot	No, if not on ballot	Yes
Local Officeholder w/o CTA on file	No, if not on ballot	No, if not on ballot	No, if not on ballot	No, if not on ballot	No, if not on ballot
Former C/OH w/o CTA on file but retains contributions	Yes, annual report of unexpended contributions	No	No	No	No

Deadlines for Candidates/SPACs

Deadline for reports is 5 P.M. on due date

Semiannual reports

- Considered filed by mail or other carrier – postmark date

Pre-election & runoff reports

- Considered filed when received
- Must be received by the due date

Remember

- A CTA can be filed at anytime
- You must provide Title 15 forms at no cost
- Use current forms
- Always OK to direct filers to TEC for campaign finance questions
- All candidates must file a CTA and Campaign Finance Reports

Campaign Finance Restrictions

No anonymous contributions

- If accepted, may donate to recognized tax-exempt charitable organization
- Caution: Bake sales, fishbowls, passing the hat

No commingling personal and campaign funds

No contributions from foreign nationals

No contributions at courthouse

No cash contributions over \$100

No raffles (generally considered illegal gambling)

No personal use of contributions

RECAP

Unopposed candidates or modified reporting:

- Do not need to file 30-day or 8-day reports
- Do need to file all semiannual reports until a final report is filed
- Remember—if first campaign activity takes place before January 1—the candidate will owe a CTA and January Semiannual report

What's My Job?

Your primary responsibility under Title 15, Election Code



is to **accept documents** filed by candidates, officeholders, and political committees, and **make available** the filed forms for public inspection, and post on Internet.

Always **date-stamp** all filings and **save postmarks and receipt marks** on envelopes.

Who Files With Me?

1. Candidates for and officeholders of elective offices of the political subdivision;
2. Specific-purpose committees supporting or opposing candidates for and officeholders of elective offices of the political subdivision; and
3. Specific-purpose committees supporting or opposing a measure to be submitted at an election ordered by an authority of the political subdivision.

Who files with me? *Candidates*

- The clerk or secretary of political subdivision for the office the candidate is seeking, or
- governing body's presiding member if no clerk or secretary

Who files with me? *Candidates*

- **City Secretary:** Mayor, City Council, City Secretary, etc.
- **School Board Secretary:** Trustee
- **County Clerk:** County or Precinct Offices (county commissioner, constable)
- **ESD/MUD Secretary/Presiding Officer:** candidates for that office

Who Files With Me? *Specific-Purpose Committees*

NOTE: A specific-purpose committee that would be required to file with more than one local filing authority may instead file with the Ethics Commission.

Who Files With Me? *Exception for School Districts*

Specific-purpose committees created to support or opposing a **school bond measure** files the STA with the school district and campaign finance reports with the TEC. [ELEC. CODE § 254.130\(b\)](#).

- 1) SPAC files STA with school district
- 2) SPAC files copy of STA filed with school district with TEC
- 3) SPAC files campaign finance reports with TEC. [1 TAC § 20.7](#)
 - Includes junior or community college district. [1 TAC § 20.1\(23\)](#)

What's My Job?

You must also copy and **make available all required forms.** Ethics Commission Rules § 18.3. You should also make available the appropriate instruction guide for each required form.

You may not charge a filing fee. ELEC. CODE § 251.003.

Other Resources To Make Available

1. Campaign Finance Guide for Candidates and Officeholders Who File With Local Filing Authorities.
2. Campaign Finance Guide for Political Committees.
3. Campaign Finance Guide for Judicial Candidates and Officeholders.
4. Schedules of Filing Dates.
5. A Guide to Political Advertising: What You Need To Know.
6. A Guide To The Prohibition Against Using Political Subdivision Resources for Political Advertising.

Code of Fair Campaign Practices

Inform each candidate or political committee that they may subscribe to the code, but subscription is voluntary.

Elec. Code § 258.003.

Document Retention

- Campaign Treasurer Appointment: two years after the date it is terminated.
- Code of Fair Campaign Practices: same as respective campaign treasurer appointment.
- Campaign Finance Reports: *at least* two years after filing.

Termination of Treasurer Appointment

Governing body of political subdivision by ordinance or order may adopt a process by which you may terminate the treasurer of an inactive candidate or committee.

Must adopt rules and follow process outlined in section 252.0131, Election Code.

Public Access

- Campaign finance reports and campaign treasurer appointments are **public records** and **must be made available** for public inspection during regular business hours.
- Filing authorities may not require a person examining campaign finance reports to provide *any information or identification*. Elec. Code § 254.0402

Public Access

- Information in campaign finance reports is *expressly public*.
- Generally, do not redact report information (without first contacting AG).
 - Exceptions: contributor addresses on online reports, d.o.b. in unsworn declaration

See Texas Att’y Gen. Op. KP-0151 (2017)

For more information about access to public information, contact the Office of the Attorney General Open Records Division.

Public Access: New Law

Political subdivisions must post reports online within 10 business days after the date the report is received.

Reports must remain accessible for five years after filing.

H.B. 2626 codified at 254.0401(b)

Public Access: New Law

Before posting online may remove each portion, other than city, state, and zip code, of the address of a person listed as having made a political contribution to the person filing the report.

The address information removed must remain available on the report maintained in office.

What's Not My Job?

- **DO NOT** fill out forms for filers.
- **DO NOT** edit, or revise forms (proper corrections OK).
- **DO NOT** misrepresent the date of a filing.

Correcting a filed report

- Filer completes correction affidavit and submits corrected report.
- Form COR-C/OH

CORRECTION/AMENDMENT AFFIDAVIT FOR CANDIDATE/OFFICEHOLDER		FORM COR-C/OH
1 Filer ID (Ethics Commission Filers)		2 Total pages filed:
		OFFICE USE ONLY
3 CANDIDATE / OFFICEHOLDER NAME	MS / MRS / MR FIRST MI	Date Received
	NICKNAME LAST SUFFIX	
4 ORIGINAL REPORT TYPE	<input type="checkbox"/> January 15 <input type="checkbox"/> Runoff <input type="checkbox"/> Final report <input type="checkbox"/> July 15 <input type="checkbox"/> Exceeded modified reporting limit <input type="checkbox"/> 30th day before election Other (specify) _____ <input type="checkbox"/> 8th day before election <input type="checkbox"/> 15th day after treasurer appointment (officeholder only)	Date Hand-delivered or Date Postmarked
		Receipt # Amount \$
5 ORIGINAL PERIOD COVERED	Month Day Year Month Day Year	Date Processed
	/ / THROUGH / /	Date Imaged
6 EXPLANATION OF CORRECTION		
7 SIGNATURE I swear, or affirm, under penalty of perjury, that this corrected report is true and correct. Check ONLY if applicable:		

What's Not My Job?

You are not expected to send notices to filers.



What's Not My Job?

- You have no responsibility to ensure that required documents are filed.
- You have no authority to enforce Title 15 or penalize a filer.

What's Not My Job?

You are not expected to be a campaign finance expert.



What's Not My Job?

If you receive a question and do not know the answer, direct the requestor to the Ethics Commission's website (available at <https://www.ethics.state.tx.us>).

For questions that cannot be answered by the resources on the website, requestors may call the Commission.

Summary

1. Accept and date stamp filed documents
2. Do not alter them (but allow for corrections following the proper procedure)
3. Copy and make available required forms
4. Retain CTA for two years after termination and campaign finance reports for two years after filing.
5. Make campaign finance reports available to public, without redaction
6. Post reports online
7. PFS (where applicable): deliver forms; maintain required records; send proper notices

Personal Financial Statements

Who Files Locally?*

ISDs: Board of trustees must file if

- The board adopts resolution to require filing
- Commissioner of Education may also require filing in some circumstances

Education Code § 11.064

Municipal officers and candidates, if population of 100K+

Local Gov't Code ch. 145

Certain county officers and candidates, if population is 100K+ or 125K

Local Government Code ch. 159

Directors of sports and community venue districts if county pop 3.3 mil+

Local Gov't Code ch. 335

Personal Financial Statements: *cities/counties with a population of 100,000 or greater*

- ❖ Clerk must **deliver/mail/email** a copy of the personal financial statement to all officers and candidates at least 10 days before the deadline. LOCAL GOV'T CODE §§ 145.005(b), 159.005(b).

Personal Financial Statements: *cities/counties with a population of 100,000 or greater*

- ❖ **Maintain** the statements in separate alphabetical files and in a manner that is accessible to the public during regular office hours. During the year after filing, each time a person requests to see the financial statement, **place** in the file:
 - A. a statement of the person's name and address,
 - B. whom the person represents, and
 - C. the date of the request.

- ❖ **Retain** that statement in the file until the first anniversary of the date the requested financial statement is filed.

Personal Financial Statements: *cities/counties with a population of 100,000 or greater*

- ❖ After two years the filer leaves office, you **may** destroy the financial statement, and on request of the filer, **must** destroy the financial statement eligible for destruction.
Local Gov't Code §§ 145.007, 159.007.

Personal Financial Statements: *cities/counties with a population of 100,000 or greater*

1. Clerk or secretary must maintain a list of persons required to file a financial statement.
2. Within 10 days after each filing deadline, provide to the municipal/county/district attorney (as applicable) a copy of the list showing:
 - A. whether the officer or candidate timely filed a financial statement;
 - B. whether the officer or candidate timely requested and was granted an extension of time to file and their new due date; or
 - C. whether the officer or candidate did not timely file a financial statement or receive an extension of time.

Local Gov't Code §§ 145.008, 159.0071.

See also Local Government Code ch. 335 (Sports and Community Venue Districts); Educ. Code § 11.064 (school districts).

Other forms

Conflict of Interest Forms

Chapter 176, Local Gov't Code

Certain local gov't officials must file Form CIS relating to a person that the gov't entity has contracted with or is considering contracting with if the officer/member or family member has a certain business relationship or gift history with that person exceeding certain threshold amounts

A person who contracts or seeks to contract with the local gov't entity must file Form CIQ disclosing their affiliation and business relationship with each member of the governing body and executive officer of the entity

Conflict of Interest Forms

Chapter 176, Local Gov't Code

Filed w/ records administrator and, in certain instances, posted on the Internet

See Att'y Gen. Op. No. GA-0446 (2006) at www.oag.state.tx.us

TEC developed forms, but **forms are not filed with TEC**

- **Law amended eff. Sep. 1, 2015 (HB 23)**
- **Forms Updated November 30, 2015**

TEC cannot enforce or interpret these requirements

Disclosure of Interested Parties Form 1295

Form 1295 required for contracts between governmental entities and business entities that requires vote of governing body of governmental entity; or has a value of at least \$1 million.

Disclosure of Interested Parties Form 1295

Business entity creates form on TEC filing app then prints the form and delivers it to governmental entity

Governmental entity acknowledges form using filing app.

- Section 2252.908, Gov't Code

Disclosure of Interested Parties Form 1295

Interested Party is either a person with
a:

- (1) controlling interest or
- (2) an intermediary.

Disclosure of Interested Parties Form 1295

“Controlling interest” means:

(1) an ownership interest that exceeds 10 percent;

(2) membership on the board of directors or other governing body of a business entity of which the board or other governing body is composed of not more than 10 members; or

(3) service as an officer of a business entity that has four or fewer officers, or service as one of the four officers most highly compensated by a business entity that has more than four officers.

Disclosure of Interested Parties

Form 1295

“Intermediary,” a person who actively participates in the facilitation of the contract or negotiating the contract, including a broker, adviser, attorney, or representative of or agent for the business entity who:

- (1) receives compensation from the business entity for the person’s participation;
- (2) communicates directly with the governmental entity or state agency on behalf of the business entity regarding the contract; and
- (3) is not an employee of the business entity or of an entity with a controlling interest in the business entity.

Questions?

- Read TEC instructions and guides
- Filing schedules and guides online at:
 - *www.ethics.state.tx.us*
- Legal or Technical: TEC (512) 463-5800
- Email: james.tinley@ethics.state.tx.us
- @TX_ETHICS 