



# **ATX Form Review**



**February 2016**

# Agenda

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- } Purpose of the Review
- } Methods
- } Observations
- } Recommendations
- } Current Status
- } Possible Timeline



# Purpose of the Review

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- } Accommodate data from ATX forms in the Campaign Finance Data Initiative
  - } Avoid duplicate records in the database
  - } Limit redundancies in the forms
  - } Develop consistent and clear submission timelines
  
- } Respond to filer feedback
  - } Timelines and expectations for ATX forms can be complex
  - } Provide a more consistent and transparent list of requirements



# Methods

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- } Side-by-side comparison of ATX forms and the Texas Ethics Commission's forms/schedules
- } Examination of reporting requirements as listed in Chapter 2-2 of the City Code
- } Review of timelines for both TEC and ATX form submission



# Observations

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- } Some ATX forms are aligned with TEC reporting periods (ATX 3, 4, 5, and 6) while others are 'triggered' by specific events (e.g., raising \$2,500 in contributions before an election)
- } Some ATX forms collect data that is either covered by a previously filed TEC report, or will be reported on a future TEC report (ATX 1, 2, 3, 4, and 7)
- } Some ATX forms combine multiple data types (contributions and expenditures) or sources (candidates and committees)



# Recommendations

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- } **Modify City Code to:**
  - } Align reporting due dates with TEC reporting periods
  - } Establish a single Pre-Election Reporting Period to allow disclosure of financial transactions not covered in the TEC's 8<sup>th</sup> day report
    - } Combination of ATX 2, 3, 4, and 7
  - } Remove redundant reporting requirements (ATX 3 & 4)
- } **Change ATX forms to match the structure of TEC forms and support systematic data capture**



# Code Changes - Summary

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- } To align filing periods to TEC reporting periods
  - } Section 2-2-32 C (ATX 1)
  - } Section 2-2-27 A1 and A2 (ATX 2)
  - } Section 2-2-42 C (ATX 3)
  - } Section 2-2-29 A and D (ATX 7)
  
- } To remove duplicate data or data that is already reported on a TEC form
  - } Section 2-2-42 C (ATX 3) – remove requirements to report loans, campaign debts, and debts as this information will be captured in TEC Schedule E
  - } Section 2-2-25 A5 (ATX 4) – remove requirement to list “all deposits and withdrawals not disclosed on a filed contribution and expenditure report,”
  - } Section 2-2-25 A2 (ATX 4) – remove requirement to list checks issued that have not yet cleared, as cleared expenditures will be reported on future TEC schedules.
  - } Section 2-2-25 B (ATX 4) – remove requirement to list contributions received but not yet “accepted,” as accepted contributions will be reported on future TEC schedules. (Rejected contributions or checks are already documented on ATX 4 per 2-2-25 A3)



# Code Changes - ATX. 1

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## “Independent Expenditures Not By a Candidate”

- } Section 2-2-32(c) – timely filing
  - } Current language contains rolling reporting for
    - } Before 60<sup>th</sup> day (5 days),
    - } 60<sup>th</sup> day to 9<sup>th</sup> day (2 days)
    - } 9<sup>th</sup> day to election day (1 day)



# Code Changes - ATX. 1

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## } “Independent Expenditures Not By a Candidate”

### } Recommended:

- } Currently, this form is required for entities required to file with the TEC (PACs), and corporations or individuals not required to file with the TEC. Recommend removing filing requirement for parties required to file with the TEC.
- } Adopt TEC reporting periods (for those who do not file with the TEC) plus a newly determined “pre-election” deadline.
  - .. Example: Pre-Election report would be due 5pm the day before an Election, and cover midnight on the 8<sup>th</sup> day to 5pm on the day before



# Code Changes - ATX. 2

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## “Personal Funds – Loans and Expenditures”

- } Section 2-2-27(a1 & a2) – timely filing
  - } Current language contains rolling reporting for date of declared candidacy to midnight on 10<sup>th</sup> day (7 days), 10<sup>th</sup> day until election day (1 day)
  - } Recommended:
    - } Remove all reporting periods aside from newly determined “pre-election” deadline.



# Code Changes - ATX. 3

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## “Campaign Debt Reconciliation”

### } Section 2-2-42 A-C

- } Requires submission of ATX 3 (Debt Reconciliation) form at the end of each calendar year and with the January 15<sup>th</sup> contribution and expenditure report
- } Recommended: Remove this reporting requirement outside of special pre-election report date. All data present on this form is currently captured in TEC Schedule E and the C/OH Coversheet.



# Code Changes - ATX. 4

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## "Bank Reconciliation"

### } Section 2-2-25 A1-2, 4-6

- } Requires submission of ATX 4 (Bank Reconciliation) form at the end of each calendar year and with the January 15<sup>th</sup> contribution and expenditure report
- } Recommended: Remove the reporting requirements outside of special pre-election report date. All data present on this form excluding dishonored contributions (2-2-25 A3) is currently captured in TEC C/OH Coversheet and Schedules F2 and K



# ATX 5 and 6

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## “Bundling Report” and “Exemption Statement”

- } No recommended changes, aside from structural adjustments to forms to align with TEC formats and better enable data capture
- } Based on feedback received by the Ethics Review Commission, members may wish to review or update the current definition of Bundler/Bundling (Chapter 2-2-22 A)



# Code Changes - ATX. 7

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## “Special Pre-election Report”

### } Section 2-2-29 A & D

} Requires submission of ATX 7 (Special Pre-Election Report) any time the threshold is met, beginning 9 days before the election

### } Recommended:

} Combine ATX 7 with ATX 1, 2, 3, and 4 to form a comprehensive “Pre-Election Report”

} Remove current reporting requirement and align to proposed special pre-election reporting period.



# Current Status

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- } Drafting/testing ATX forms with new coversheet
  - } Fillable PDFs
  - } Testing to extract and manage PDF data into campaign finance database
  - } Compatible with Campaign Finance Database Initiative data format and validation tools
  - } Met with member of ERC working group (5 February 2016)



# Timeline

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- } Ethics Review Commission Briefing and Recommendations: February 10, 2016
  - } Possible ERC recommendation
  - } Discussion with Council
  - } Propose recommendations to Council
  
- } If approved:
  - } Changes to the form and instructions would be included in the City Clerk's Candidate Packet (May 2016)
  - } Forms incorporated into Campaign Finance Database Initiative Phase II (July 2016)

