

Amend the Wolens amendment to CSHB 1606 as follows:

(1) Between pages 30 and 31, insert the following:

SECTION 2.08. Subchapter D, Chapter 253, Election Code, is amended by adding Section 253.105 to read as follows:

Sec. 253.105. EXPENDITURES FOR CERTAIN TARGETED ADVERTISING PROHIBITED. (a) In this section:

(1) "Advertising" means:

(A) a broadcast, cable, or satellite communication via television or radio that is a paid advertisement or purchased program time; or

(B) a paid message delivered through direct mailing.

(2) "Covered preelection period," with respect to a person, means the period:

(A) beginning on:

(i) the 60th day before the date of a general or special election in which the person is a candidate; or

(ii) the 30th day before the date of a primary election in which the person is a candidate; and

(B) ending on election day.

(3) Advertising is "targeted" in connection with an election if the advertisement is:

(A) a broadcast, cable, or satellite communication distributed to reach 10,000 or more persons eligible to vote for the candidate; or

(B) a message delivered through direct mailing distributed to reach 2,500 or more persons eligible to vote for the candidate.

(b) For purposes of this section, advertising clearly identifies a candidate if the candidate's name or likeness appears in the advertising or the identity of the candidate is apparent by unambiguous reference.

(c) This section applies only to expenditures made for advertising that clearly identifies a candidate for an office of the state government or an office of a county or municipal government.

(d) Except as provided by Subsection (e), in a covered

preelection period, a corporation or labor organization may not knowingly make an expenditure from its own property for targeted advertising that clearly identifies a candidate.

(e) This section does not apply to:

(1) a reference to a clearly identified candidate in a news story, commentary, editorial, or work intended for entertainment distributed through the facilities of a broadcasting station, newspaper, magazine, or other publication, unless the facilities are owned or controlled by a political party, political committee, or candidate;

(2) nonpartisan activity designed to encourage persons to vote or to register to vote; or

(3) a communication by the labor organization or corporation to its members, stockholders, or executive or administrative personnel, if the labor organization or corporation is not organized primarily for the purpose of influencing the election of a person to public office.

(f) A person who violates this section commits an offense. An offense under this section is a felony of the third degree.

(2) On page 35, between lines 15 and 16, insert the following new section, appropriately numbered:

SECTION 2.\_\_\_\_. Subchapter B, Chapter 254, Election Code, is amended by adding Section 254.0392 to read as follows:

Sec. 254.0392. REPORTS CONCERNING CERTAIN TARGETED ADVERTISING. (a) In this section, "advertising," "covered preelection period," and "targeted" have the meanings assigned by Section 253.105.

(b) For purposes of this section, advertising clearly identifies a candidate if the candidate's name or likeness appears in the advertising or the identity of the candidate is apparent by unambiguous reference.

(c) This section applies only to expenditures made for advertising that clearly identifies a candidate for an office of the state government or an office of a county or municipal government.

(d) Except as provided by Subsection (h) or (i), a person who makes or enters into contracts to make expenditures in a covered

preelection period that in the aggregate exceed \$2,500 in a calendar year for targeted advertising that clearly identifies a candidate shall file a report of contributions and expenditures as provided by this section.

(e) A person to whom this section applies shall file two reports for each year. The first report shall be filed not later than July 15 and covers the period beginning January 1 and continuing through June 30. The second report shall be filed not later than January 15 and covers the period beginning July 1 and continuing through December 31. If a person exceeds the limit prescribed by Subsection (d) after the filing deadline for the first report required under this section, the person shall file a report not later than the fifth day after the date the limit is exceeded.

(f) Each report under this section must include:

(1) the full name and address of:

(A) the person filing the report;

(B) any person sharing or exercising control over the activities of the person filing the report; and

(C) the custodian of the books and accounts of the person filing the report;

(2) the principal place of business of the person filing the report, if the person is not an individual;

(3) the amount of each expenditure in a covered preelection period for targeted advertising that clearly identifies a candidate, that exceeds \$50, and that is made during the reporting period, and the full name and address of the persons to whom the expenditures are made;

(4) the election to which each targeted advertisement that clearly identifies a candidate and that is made during the reporting period relates, and the name of each candidate clearly identified by the advertising; and

(5) the amount of contributions from each person that in the aggregate exceed \$250 and that are accepted during the reporting period by the person filing the report, and the full name and address of the person making the contributions.

(g) Targeted advertising that clearly identifies a

candidate and that is made in a covered preelection period with the cooperation or prior consent of, in consultation with, or at the suggestion of the candidate or a person acting with the candidate's knowledge and consent is considered:

(1) a campaign contribution to the candidate from the person making the expenditure for the advertising; and

(2) a campaign expenditure by the candidate.

(h) This section does not apply to:

(1) a reference to a clearly identified candidate in a news story, commentary, editorial, or work intended for entertainment distributed through the facilities of a broadcasting station, newspaper, magazine, or other publication, unless the facilities are owned or controlled by a political party, political committee, or candidate;

(2) nonpartisan activity designed to encourage persons to vote or to register to vote; or

(3) a communication by any membership organization or corporation to its members, stockholders, or executive or administrative personnel, if the membership organization or corporation is not organized primarily for the purpose of influencing the election of a person to public office.

(i) A person is not required to file a report of contributions and expenditures under this section if the expenditures are disclosed in a report filed with the Federal Election Commission.

(3) On page 40, between lines 24 and 25, insert the following new section, appropriately numbered:

SECTION \_\_\_\_\_. (a) Section 253.105, Election Code, as added by this Act, applies only to an expenditure for advertising that is made on or after September 1, 2003. An expenditure for advertising that is made before September 1, 2003, is governed by the law in effect at the time the expenditure was made.

(4) On page 40, line 25, strike "SECTION 2.24. (a)" and substitute "(b)".

(5) On page 41, between lines 3 and 4, insert the following new subsection, appropriately lettered:

( ) Section 254.0392, Election Code, as added by this Act,

applies only to the reporting of an expenditure for advertising that is made on or after September 1, 2003. An expenditure for advertising that is made before September 1, 2003, is governed by the law in effect at the time the expenditure was made and is not aggregated with expenditures made on or after September 1, 2003.

(6) Reletter the existing subsections of Section 2.24 of the bill accordingly.

(7) Renumber the existing sections of Article 2 of the bill accordingly.