

Amend the Wolens floor substitute for CSHB 1606 as follows:

(1) On page 28 of the substitute, strike lines 8 and 9 and substitute the following:

SECTION 2.01. Section 251.001, Election Code, is amended by amending Subdivision (16) and adding Subdivision (21) to read as follows:

(2) On page 28 of the substitute, between lines 21 and 22, insert the following:

(22) "Express advocacy" means a communication, other than a communication appearing in a news story, commentary, or editorial distributed through the facilities of a broadcast station that is not owned or controlled by a political party, political committee, or candidate, that advocates the election or defeat of a candidate by containing the name of the candidate or a word or phrase such as "vote for," "reelect," "support," "cast your ballot for," "(name of candidate) for (name of office)," "(name of candidate) in 2004," "vote against," "defeat," or "reject" or a campaign slogan or words that in context can have no reasonable meaning other than to advocate the election or defeat of one or more clearly identified candidates.

(3) On page 35 of the substitute, between lines 15 and 16, insert the following:

SECTION 2.13. Subchapter B, Chapter 254, Election Code, is amended by adding Section 254.0392 to read as follows:

Sec. 254.0392. REPORTS CONCERNING CERTAIN CANDIDATE-SPECIFIC ADVERTISING. (a) Except as provided by Subsection (e) or (f), a person who makes expenditures that in the aggregate exceed \$50,000 in an election cycle for targeted, candidate-specific advertising shall file a report of contributions and expenditures as provided by this section.

(b) For purposes of this section:

(1) "Advertising" means:

(A) a paid advertisement or purchased program time broadcast or cablecast via radio or television;

(B) a paid message from a telephone bank or delivered through direct mailing or electronic mail; or

(C) a paid advertisement in a communications

outlet other than one described by Paragraph (A) or (B) that costs more than \$2,500.

(2) "Candidate-specific" means a reference to a clearly identified candidate, by use of the candidate's name, likeness, or other clear means of identification.

(3) "Election cycle," with respect to a person, means the period:

(A) beginning on the day after the date of a general election for state and county officers; and

(B) ending on the day of the following general election for state and county officers.

(4) Advertising is "targeted" in connection with an election if, with respect to an advertisement broadcast or cablecast via radio or television or published in a newspaper, magazine, or other written communication, the advertisement is distributed or published to reach an audience that includes a substantial portion of the electorate for the election. An advertisement delivered by telephone or direct mail is considered to be targeted if it is delivered to persons residing in the territory from which the candidate to whom the advertising refers is or seeks to be elected.

(c) A person who makes expenditures for which reporting is required under this section must file a report:

(1) not later than the 30th day before the date of the election, if the person makes an expenditure that causes the person to exceed the threshold prescribed by Subsection (a) after the 61st day before an election but before the 39th day before the election;

(2) not later than the 8th day before the date of the election, if the person makes an expenditure that causes the person to exceed the threshold prescribed by Subsection (a) after the 40th day before an election but before the 9th day before the election; or

(3) not later than 24 hours after an expenditure is made, if the person makes an expenditure that causes the person to exceed the threshold prescribed by Subsection (a) after the 10th day before the election.

(d) Each report under this section must include:

(1) the amount of contributions from each person that in the aggregate exceed \$50 and that are accepted during the reporting period by the person required to file a report under this section, the full name and address of the person making the contributions, and the dates of the contributions, and, if the person making the contribution is an individual, the individual's principal occupation or job title and the full name of the individual's employer, if any;

(2) the amount of expenditures for targeted, candidate-specific advertising in an election cycle that in the aggregate exceed \$50 and that are made during the reporting period, the full name and address of the persons to whom the expenditures are made, and the dates and purposes of the expenditures;

(3) the total amount or a specific listing of the contributions of \$50 or less accepted and the total amount or a specific listing of the expenditures for targeted, candidate-specific advertising in an election cycle of \$50 or less made during the reporting period; and

(4) the total amount of all contributions accepted and the total amount of all expenditures for targeted, candidate-specific advertising made during the reporting period.

(e) This section does not apply to:

(1) an expenditure for advertising made by a candidate or political party;

(2) 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;

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

(4) a communication by any membership organization or corporation to its members, donors, 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; or

(5) a voter's guide that:

(A) is published or distributed by an organization that is exempt from income taxation under Section 501(a), Internal Revenue Code, by being listed under Section 501(c)(3) or (c)(4), Internal Revenue Code; and

(B) does not contain express advocacy.

(f) A person who files reports with the Federal Election Commission is not required to file reports under this section. Not later than the last day prescribed by this section for filing a report that a person covered by this section is required to file, the person shall provide to the Texas Ethics Commission information necessary to locate the person's report covering that reporting period on the Federal Election Commission's Internet website. The Texas Ethics Commission shall promptly place on the commission's Internet website a link to that report.

(g) A person who makes an expenditure for advertising that contains a reference to a clearly identified candidate is presumed to have made an expenditure for which reporting is required under this section. A person who makes such an expenditure may file with the commission an affidavit stating that the expenditure was not made with the intent to influence the election of a candidate. The commission shall:

(1) determine by a preponderance of the evidence whether an expenditure was made with the intent to influence the election of a candidate; and

(2) notify the person filing the affidavit of the commission's determination.

(4) On page 41 of the substitute, between lines 3 and 4, insert the following new subsection, appropriately lettered, and reletter the subsequent subsections accordingly:

() Section 254.0392, Election Code, as added by this Act, applies only to the reporting of an expenditure for targeted, candidate-specific advertising in an election cycle that is made on or after September 1, 2003. An expenditure for targeted, candidate-specific advertising in an election cycle 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.

(5) Renumber the sections of the Article 2 accordingly.