

BILL ANALYSIS

C.S.H.B. 266
By: Naishtat
Elections
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Under current law, statewide candidates are limited as to the amount of political contributions they may use to repay personal loans to their campaigns. According to Texans for Public Justice, borrowed money accounts for 37% of total campaign spending by candidates. Many newly elected and re-elected officeholders hold fundraisers shortly after the election to raise money for the repayment of these loans. CSHB 266 limits the amount of political contributions a candidate for office may use to repay certain loans or extensions of credit.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

CSHB 266 amends the Election Code to prohibit a candidate or officeholder from using political contributions that in the aggregate exceed \$500,000 for the office of governor or \$250,000 for any other statewide office to repay any loan or extension of credit that the candidate or officeholder guarantees.

HB 266 prohibits a judicial candidate or officeholder from using political contributions, in amounts that in the aggregate that exceed \$100,000 for a statewide judicial office or five times the applicable limit under the Judicial Campaign Fairness Act for an office other than a statewide judicial office, to repay any loan or extension of credit that the candidate or officeholder guarantees. The bill prohibits the total amount of reimbursements of personal funds and payments on loans from exceeding \$100,000 for a statewide judicial office or five times the applicable limit under the Judicial Campaign Fairness Act for an office other than a statewide judicial office.

The bill authorizes a person who is both a candidate and an officeholder to reimburse the person's personal funds or repay loans from political contributions only in one capacity, rather than only restricting reimbursement of the person's personal funds.

EFFECTIVE DATE

September 1, 2003.

COMPARISON OF ORIGINAL TO SUBSTITUTE

CSHB 266 modifies the original by removing the provisions prohibiting a candidate or officeholder from using political contributions to repay loans or extensions of credit for which the candidate or officeholder is personally liable or is obligated.

