

By: Naishtat

H.B. No. 266

Substitute the following for H.B. No. 266:

By: Denny

C.S.H.B. No. 266

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to restrictions on payment of certain loans with political  
3 contributions.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 253.042(b), Election Code, is amended  
6 to read as follows:

7 (b) A candidate or officeholder who accepts one or more  
8 political contributions in the form of loans, including an  
9 extension of credit or a guarantee of a loan or extension of credit,  
10 from one or more persons related to the candidate or officeholder  
11 within the second degree by affinity or consanguinity may not use  
12 political contributions to repay the loans in amounts that in the  
13 aggregate exceed the amount prescribed by Subsection (a). A  
14 candidate or officeholder may not use political contributions, in  
15 amounts that in the aggregate exceed the amount prescribed by  
16 Subsection (a), to repay any other loan or extension of credit that  
17 the candidate or officeholder guarantees.

18 SECTION 2. Section 253.162, Election Code, is amended by  
19 amending Subsections (b) and (c) and adding Subsection (b-1) to  
20 read as follows:

21 (b) A judicial candidate or officeholder may not:

22 (1) use political contributions to repay a loan [~~who~~  
23 ~~accepts one or more political contributions in the form of loans~~],  
24 including an extension of credit or a guarantee of a loan or

1 extension of credit, from one or more persons related to the  
2 candidate or officeholder within the second degree by  
3 consanguinity, as determined under [~~Subchapter B,~~] Chapter 573,  
4 Government Code; or

5 (2) use political contributions, in amounts that in  
6 the aggregate exceed the amount prescribed by Subsection (a), to  
7 repay any other loan or extension of credit that the candidate or  
8 officeholder guarantees[~~, may not use political contributions to~~  
9 ~~repay the loans~~].

10 (b-1) The total amount of both reimbursements under  
11 Subsection (a) and repayments under Subsection (b)(2) made by a  
12 candidate or officeholder may not exceed the amount prescribed by  
13 Subsection (a).

14 (c) A person who is both a candidate and an officeholder may  
15 reimburse the person's personal funds or repay loans from political  
16 contributions only in one capacity.

17 SECTION 3. Sections 253.042(b) and 253.162, Election Code,  
18 as amended by this Act, apply only to repayment of a loan or  
19 extension of credit made on or after September 1, 2003. The  
20 repayment of a loan or extension of credit made before September 1,  
21 2003, is governed by the law in effect on the date the loan or  
22 extension of credit is made, and the former law is continued in  
23 effect for that purpose.

24 SECTION 4. This Act takes effect September 1, 2003.