

By: Villarreal

H.B. No. 310

A BILL TO BE ENTITLED

AN ACT

relating to the financing of campaigns for certain local government offices; providing criminal penalties.

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

SECTION 1. Title 15, Election Code, is amended by adding Chapter 259 to read as follows:

CHAPTER 259. CONTRIBUTION LIMITS AND REPORTING REQUIREMENTS IN CONNECTION WITH CERTAIN LOCAL CAMPAIGNS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 259.001. APPLICABILITY OF CHAPTER. This chapter applies only to an election for an office of:

(1) a county with a population of more than one million and less than 1.4 million; or

(2) a political subdivision other than a county, any part of which is located in a county described by Subdivision (1).

Sec. 259.002. DEFINITIONS. In this chapter:

(1) "In connection with an election" means:

(A) with regard to a contribution that is designated in writing for a particular election, the election designated; or

(B) with regard to a contribution that is not designated in writing for a particular election or that is designated as an officeholder contribution, the next election for that office occurring after the contribution is made.

1           (2) "Office voted on citywide" means an office of a  
2 municipality for which every qualified voter of the municipality  
3 may vote.

4           (3) "Office voted on countywide" means an office of a  
5 county for which every qualified voter of the county may vote.

6           [Sections 259.003-259.050 reserved for expansion]

7                   SUBCHAPTER B. CONTRIBUTION LIMITS

8           Sec. 259.051. CONTRIBUTION LIMITS. (a) An individual or a  
9 political committee may not knowingly make or authorize political  
10 contributions to a candidate or officeholder in connection with an  
11 election that in the aggregate exceed:

12                   (1) for an office voted on citywide or countywide,  
13 \$2,500; or

14                   (2) for an office other than an office voted on  
15 citywide or countywide, \$1,000.

16           (b) A person may not knowingly accept a political  
17 contribution, and shall refuse a political contribution that is  
18 received, in violation of Subsection (a).

19           (c) A person who violates this section is liable for a civil  
20 penalty not to exceed three times the amount of the political  
21 contributions made or accepted in violation of this section.

22           Sec. 259.052. CONTRIBUTION TO CERTAIN COMMITTEES  
23 CONSIDERED CONTRIBUTION TO CANDIDATE OR OFFICEHOLDER. For purposes  
24 of this chapter, a political contribution to a specific-purpose  
25 committee for the purpose of supporting a candidate, opposing the  
26 candidate's opponent, or assisting the candidate as an officeholder  
27 is considered to be a contribution to the candidate or

1 officeholder.

2 Sec. 259.053. CERTAIN DIRECT CAMPAIGN EXPENDITURES  
3 CONSIDERED CONTRIBUTION TO CANDIDATE. For purposes of this  
4 chapter, a direct campaign expenditure is considered to be a  
5 campaign contribution to a candidate if it is made with the  
6 cooperation or prior consent of, in consultation with, or at the  
7 suggestion of:

8 (1) the candidate;

9 (2) a specific-purpose committee for supporting the  
10 candidate or opposing the candidate's opponent; or

11 (3) a person acting with the candidate's knowledge and  
12 consent.

13 Sec. 259.054. NOTICE TO CERTAIN CANDIDATES OR OFFICEHOLDERS  
14 OF INTENT TO ACCEPT CONTRIBUTIONS OR MAKE EXPENDITURES. (a) The  
15 campaign treasurer of a specific-purpose committee that intends to  
16 accept political contributions or make political expenditures for  
17 the purpose of supporting a candidate for an office to which this  
18 chapter applies, opposing such a candidate's opponent, or assisting  
19 such a candidate as an officeholder shall deliver written notice of  
20 the committee's intent to the candidate or officeholder.

21 (b) The notice must include the full name and address of the  
22 specific-purpose committee and of its campaign treasurer.

23 (c) The notice must be delivered not later than the later  
24 of:

25 (1) the date the committee files its campaign  
26 treasurer appointment; or

27 (2) the third day after the date the committee

1 determines it intends to accept political contributions or make  
2 political expenditures for which notice under this section is  
3 required.

4 (d) A campaign treasurer who violates this section commits  
5 an offense. An offense under this section is a Class A misdemeanor.

6 Sec. 259.055. NOTICE TO CANDIDATE, OFFICEHOLDER, OR  
7 COMMITTEE OF RECEIPT OF CONTRIBUTION. (a) The campaign treasurer  
8 of a specific-purpose committee that receives a political  
9 contribution or makes a direct campaign expenditure that is  
10 considered under Section 259.052 or 259.053 to be a contribution to  
11 a candidate or officeholder shall, not later than the fifth day  
12 after the date the contribution is received or the expenditure is  
13 made, deliver written notice of that fact to the affected candidate  
14 or officeholder.

15 (b) A candidate or officeholder who receives a political  
16 contribution covered by this subchapter shall, not later than the  
17 fifth day after the date the contribution is received, deliver  
18 written notice of that fact to the campaign treasurer of each  
19 specific-purpose committee that notifies the candidate or  
20 officeholder under Section 259.054 that the committee intends to  
21 accept political contributions or make political expenditures on  
22 the candidate's or officeholder's behalf.

23 (c) A notice under this section must include:

24 (1) the full name and address of the person receiving  
25 the political contribution and of the person's campaign treasurer,  
26 if any;

27 (2) the full name and address of the person making the

1 contribution;

2 (3) the date the contribution is received; and

3 (4) the amount of the contribution.

4 (d) A person who violates this section commits an offense.

5 An offense under this section is a Class A misdemeanor.

6 Sec. 259.056. RETURN OF EXCESS CONTRIBUTION. (a) A person  
7 who receives a political contribution the acceptance of which would  
8 violate Section 259.051 shall return the contribution to the  
9 contributor not later than the 10th day after the date the  
10 contribution is received.

11 (b) A political contribution that is not returned as  
12 required by this section is considered to be accepted.

13 [Sections 259.057-259.100 reserved for expansion]

14 SUBCHAPTER C. FUND-RAISING PERIOD

15 Sec. 259.101. APPLICABILITY. This subchapter applies to:

16 (1) a candidate for or holder of an office to which  
17 this chapter applies; or

18 (2) a specific-purpose committee for supporting or  
19 opposing a candidate for or assisting a holder of an office to which  
20 this chapter applies.

21 Sec. 259.102. CONTRIBUTION AND SOLICITATION PROHIBITED  
22 EXCEPT DURING ELECTION PERIOD. A candidate, officeholder, or  
23 specific-purpose committee may not solicit or knowingly accept a  
24 political contribution except during the period:

25 (1) beginning on the earlier of:

26 (A) the 120th day before the date of the primary  
27 election, if any candidate for the office is nominated by primary

1 election; or

2 (B) the 120th day before the date of the general  
3 election; and

4 (2) ending on the later of:

5 (A) the date of the general election; or

6 (B) the date of the runoff election, if the  
7 candidate or officeholder is a candidate in the runoff election or  
8 the specific-purpose committee supports or opposes a candidate in  
9 the runoff election.

10 [Sections 259.103-259.150 reserved for expansion]

11 SUBCHAPTER D. GRASSROOTS CAMPAIGN

12 Sec. 259.151. GRASSROOTS CAMPAIGN DESIGNATION;  
13 CONTRIBUTION LIMITS. (a) A candidate is designated as a grassroots  
14 campaign candidate if the candidate does not accept political  
15 contributions from a person in connection with an election that in  
16 the aggregate exceed:

17 (1) for an office voted on citywide or countywide,  
18 \$1,250; or

19 (2) for an office other than an office voted on  
20 citywide or countywide, \$500.

21 (b) Sections 259.052-259.056 apply to the contribution  
22 limits prescribed by Subsection (a).

23 Sec. 259.152. CONTRIBUTION MATCHING. (a) A political  
24 subdivision shall match each political contribution not exceeding  
25 \$50 made to a candidate for an office of that political subdivision  
26 who complies with the contribution limits prescribed by Section  
27 259.151.

1       (b) A political subdivision may not pay more than \$10,000 in  
2 connection with an election to a candidate under this section.

3       (c) Money accepted by a candidate under this section is  
4 considered to be a campaign contribution to the candidate. Except  
5 as otherwise provided by this chapter, the provisions of this title  
6 regulating the use of political contributions apply to money  
7 accepted by a candidate under this section.

8       (d) A candidate may use money accepted under this section  
9 only for expenses related to the candidate's campaign for election.  
10 A candidate may not use money accepted under this section to make a  
11 political contribution to another candidate or a political  
12 committee.

13       (e) A candidate who accepts money from a political  
14 subdivision under this section and who, after accepting the money,  
15 receives a political contribution that exceeds the limits  
16 prescribed by Section 259.151 shall:

17               (1) return the contribution as provided by Section  
18 259.056; or

19               (2) return to the political subdivision any money paid  
20 to the candidate by the political subdivision under this section.

21       Sec. 259.153. REFUND OF UNEXPENDED AMOUNTS. (a) A  
22 candidate shall, within the period prescribed by Subsection (b),  
23 refund amounts accepted under Section 259.152 that have not been  
24 expended or contractually obligated.

25       (b) A candidate shall make a refund under this section to  
26 the political subdivision not later than the 30th day after the date  
27 of:

1           (1) the runoff election, if the candidate is a  
2 candidate in the runoff election;

3           (2) the general election, if the candidate is a  
4 candidate in the general election and there is no runoff election or  
5 the candidate does not receive enough votes to be a candidate in the  
6 runoff election;

7           (3) the runoff primary election, if the candidate is a  
8 candidate in the runoff primary election and does not receive the  
9 political party's nomination;

10           (4) the general primary election, if the candidate is  
11 a candidate in the general primary election and does not receive the  
12 political party's nomination or become a candidate in the runoff  
13 primary election; or

14           (5) the nominating convention as to which the  
15 candidate filed an application for nomination, if the candidate  
16 does not receive the political party's nomination.

17           (c) The political subdivision shall deposit refunds  
18 received under this section to the credit of the grassroots  
19 candidate contribution matching fund.

20           (d) A person who violates this section is liable for a civil  
21 penalty not to exceed three times the amount of money required to be  
22 refunded that was not refunded as required by this section.

23           Sec. 259.154. WITHDRAWAL OR INELIGIBILITY OF CANDIDATE.

24           (a) A candidate who withdraws from an election or is declared  
25 ineligible shall refund amounts accepted under Section 259.152 that  
26 have not been expended or contractually obligated. The candidate  
27 shall refund those amounts to the political subdivision not later



1 than the 10th day after the date the candidate withdraws or is  
2 declared ineligible. The political subdivision shall deposit  
3 refunds received under this section to the credit of the grassroots  
4 candidate contribution matching fund.

5 (b) A person who violates this section is liable for a civil  
6 penalty not to exceed three times the amount of money required to be  
7 refunded that was not refunded as required by this section.

8 Sec. 259.155. GRASSROOTS CANDIDATE CONTRIBUTION MATCHING  
9 FUND. (a) A political subdivision shall establish a grassroots  
10 candidate contribution matching fund.

11 (b) The political subdivision may use money from the fund  
12 only to match campaign contributions as provided by Section  
13 259.152.

14 (c) The fund consists of amounts collected by the political  
15 subdivision under Section 259.156 or refunded under Section 259.153  
16 or 259.154.

17 Sec. 259.156. REGISTRATION OF LOCAL LOBBYIST; FEE. (a) A  
18 person must register with a political subdivision under this  
19 section if, to communicate directly with an officer or employee of  
20 the political subdivision to influence legislative or  
21 administrative actions of the political subdivision, the person:

22 (1) makes a total expenditure of \$200 or more in a  
23 calendar quarter, not including the person's own travel, food, or  
24 lodging expenses or the person's own membership dues, on the  
25 following activities:

26 (A) transportation and lodging;

27 (B) food and beverages;

1           (C) entertainment;

2           (D) gifts, awards, and mementos; and

3           (E) expenditures made for the attendance of  
4 officers or employees of the political subdivision at political  
5 fund-raisers or charity events; or

6           (2) receives compensation or reimbursement, not  
7 including reimbursement for the person's own travel, food, or  
8 lodging expenses or the person's own membership dues, of \$200 or  
9 more in a calendar quarter from another person.

10           (b) Subsection (a)(2) requires a person to register if the  
11 person, as part of the person's regular employment, has  
12 communicated directly with an officer or employee of the political  
13 subdivision to influence legislative or administrative actions of  
14 the political subdivision on behalf of another person by whom the  
15 person is compensated or reimbursed, whether or not the person  
16 receives any compensation for the communication in addition to the  
17 salary for that regular employment. However, Subsection (a)(2)  
18 does not require a member of the judicial, legislative, or  
19 executive branch of state government or an officer or employee of a  
20 political subdivision of the state to register under this section.

21           (c) A person described by Section 305.004, Government Code,  
22 is not required to register with a political subdivision under this  
23 section.

24           (d) The political subdivision shall require a person who  
25 registers under this section to pay a fee.

26           (e) The governing body of the political subdivision shall:

27           (1) set the fee in an amount the governing body

1 considers necessary to generate sufficient money to match campaign  
2 contributions under Section 259.152; and

3 (2) establish deadlines for registration under this  
4 section.

5 SECTION 2. Subchapter B, Chapter 254, Election Code, is  
6 amended by adding Section 254.0403 to read as follows:

7 Sec. 254.0403. INTERNET POSTING OF REPORTS RELATING TO  
8 CERTAIN LOCAL CANDIDATES. (a) This section applies to a candidate  
9 for or holder of an office covered by Chapter 259 or a  
10 specific-purpose committee for supporting or opposing a candidate  
11 for or assisting a holder of such an office.

12 (b) The authority with whom a candidate, officeholder, or  
13 specific-purpose committee files a report under this chapter shall  
14 submit a copy of each report to the commission.

15 (c) The commission shall make the information submitted  
16 under Subsection (b) available to the public on the Internet.

17 SECTION 3. Subchapter C, Chapter 254, Election Code, is  
18 amended by adding Section 254.0612 to read as follows:

19 Sec. 254.0612. ADDITIONAL CONTENTS OF REPORTS BY CERTAIN  
20 LOCAL CANDIDATES. In addition to the contents required by Sections  
21 254.031 and 254.061, each report by a candidate for an office  
22 covered by Chapter 259 must include, for each person from whom the  
23 candidate filing the report has accepted political contributions  
24 that in the aggregate exceed \$500 and that are accepted during the  
25 reporting period:

26 (1) the person's principal occupation or job title;

27 (2) the full name of the person's employer, if any;

1           (3) a statement as to whether the contributor is  
2 engaged in business with the state or the political subdivision  
3 served by the office the candidate seeks; and

4           (4) a statement as to whether the contributor has a bid  
5 for a contract being considered by the state or the political  
6 subdivision served by the office the candidate seeks.

7           SECTION 4. Subchapter D, Chapter 254, Election Code, is  
8 amended by adding Section 254.0912 to read as follows:

9           Sec. 254.0912. ADDITIONAL CONTENTS OF REPORTS BY CERTAIN  
10 LOCAL OFFICEHOLDERS. In addition to the contents required by  
11 Sections 254.031 and 254.091, each report by a holder of an office  
12 covered by Chapter 259 must include, for each person from whom the  
13 officeholder filing the report has accepted political  
14 contributions that in the aggregate exceed \$500 and that are  
15 accepted during the reporting period:

16           (1) the person's principal occupation or job title;

17           (2) the full name of the person's employer, if any;

18           (3) a statement as to whether the contributor is  
19 engaged in business with the state or the political subdivision  
20 served by the office the officeholder holds; and

21           (4) a statement as to whether the contributor has a bid  
22 for a contract being considered by the state or the political  
23 subdivision served by the office the officeholder holds.

24           SECTION 5. Subchapter E, Chapter 254, Election Code, is  
25 amended by adding Section 254.1212 to read as follows:

26           Sec. 254.1212. ADDITIONAL CONTENTS OF REPORTS BY CERTAIN  
27 LOCAL COMMITTEES. In addition to the contents required by Sections

1 254.031 and 254.121, each report by a specific-purpose committee  
2 for supporting or opposing a candidate for or assisting a holder of  
3 an office covered by Chapter 259 must include, for each person from  
4 whom the committee filing the report has accepted political  
5 contributions that in the aggregate exceed \$500 and that are  
6 accepted during the reporting period:

7 (1) the person's principal occupation or job title;

8 (2) the full name of the person's employer, if any;

9 (3) a statement as to whether the contributor is  
10 engaged in business with the state or the political subdivision  
11 served by the office that is sought by the candidate supported or  
12 opposed by the committee or that is held by the officeholder  
13 assisted by the committee; and

14 (4) a statement as to whether the contributor has a bid  
15 for a contract being considered by the state or the political  
16 subdivision served by the office that is sought by the candidate  
17 supported or opposed by the committee or that is held by the  
18 officeholder assisted by the committee.

19 SECTION 6. (a) Chapter 259, Election Code, as added by this  
20 Act, applies only to a political contribution accepted on or after  
21 September 1, 2003. A political contribution accepted before  
22 September 1, 2003, is governed by the law in effect at the time the  
23 contribution was accepted and is not aggregated with political  
24 contributions accepted on or after that date.

25 (b) A person is required to register with a political  
26 subdivision under Section 259.156, Election Code, as added by this  
27 Act, only for expenditures made or reimbursement or compensation

1 received on or after September 1, 2003.

2 (c) Sections 254.0403, 254.0612, 254.0912, and 254.1212,  
3 Election Code, as added by this Act, apply only to the reporting of  
4 a political contribution accepted on or after September 1, 2003.  
5 The reporting of a political contribution accepted before September  
6 1, 2003, is governed by the law in effect at the time the  
7 contribution was accepted.

8 SECTION 7. This Act takes effect September 1, 2003.