

By: Gallego

H.B. No. 1580

A BILL TO BE ENTITLED

AN ACT

relating to limits on political contributions to and direct campaign expenditures made on behalf of certain candidates, officeholders, and political committees; providing civil penalties.

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

SECTION 1. Chapter 253, Election Code, is amended by adding Subchapter G to read as follows:

SUBCHAPTER G. CONTRIBUTION LIMITS FOR
LEGISLATIVE OR EXECUTIVE OFFICE

Sec. 253.201. APPLICABILITY OF SUBCHAPTER. This subchapter applies only to a political contribution or direct campaign expenditure in connection with:

- (1) a statewide office in the executive branch;
- (2) the office of state senator;
- (3) the office of state representative; or
- (4) the office of member, State Board of Education.

Sec. 253.202. CONTRIBUTION LIMITS. (a) Except as provided by Subsection (c), a person may not knowingly make or authorize political contributions to a candidate or officeholder that in the aggregate exceed the following limits in a calendar year:

- (1) for a statewide office, \$25,000;
- (2) for the office of state senator, \$10,000;
- (3) for the office of state representative, \$5,000; or

1 (4) for the office of member, State Board of
2 Education, \$10,000.

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

6 (c) This section does not apply to a political contribution
7 made by the principal political committee of the state executive
8 committee of a political party.

9 (d) A person who violates this section is liable for a civil
10 penalty not to exceed three times the amount of the political
11 contributions made or accepted in violation of this section.

12 Sec. 253.203. CONTRIBUTION TO CERTAIN COMMITTEES
13 CONSIDERED CONTRIBUTION TO CANDIDATE OR OFFICEHOLDER. For purposes
14 of Section 253.202, a political contribution to a specific-purpose
15 committee for the purpose of supporting a candidate, opposing the
16 candidate's opponent, or assisting the candidate as an officeholder
17 is considered to be a contribution to the candidate or
18 officeholder.

19 Sec. 253.204. CERTAIN DIRECT CAMPAIGN EXPENDITURES
20 CONSIDERED CONTRIBUTION TO CANDIDATE. For purposes of Section
21 253.202, a direct campaign expenditure is considered to be a
22 campaign contribution to a candidate if it is made with the
23 cooperation or prior consent of, in consultation with, or at the
24 suggestion of:

25 (1) the candidate;

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

1 (3) a person acting with the candidate's knowledge and
2 consent.

3 Sec. 253.205. NOTICE TO CERTAIN CANDIDATES OR OFFICEHOLDERS
4 OF INTENT TO ACCEPT CONTRIBUTIONS OR MAKE EXPENDITURES. (a) The
5 campaign treasurer of a specific-purpose committee that intends to
6 accept political contributions or make political expenditures for
7 the purpose of supporting a candidate for an office to which this
8 subchapter applies, opposing such a candidate's opponent, or
9 assisting such a candidate as an officeholder shall deliver written
10 notice of the committee's intent to the affected candidate or
11 officeholder.

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

14 (c) The notice must be delivered not later than the later
15 of:

16 (1) the date the committee files its campaign
17 treasurer appointment; or

18 (2) the third day after the date the committee
19 determines that it intends to accept political contributions or
20 make political expenditures for which notice under this section is
21 required.

22 (d) A campaign treasurer who violates this section is liable
23 for a civil penalty in an amount not to exceed three times the
24 political contributions accepted or political expenditures made
25 for a purpose described by Subsection (a) before notice is
26 delivered to the affected candidate or officeholder.

27 Sec. 253.206. NOTICE TO CANDIDATE, OFFICEHOLDER, OR

1 COMMITTEE OF RECEIPT OF CONTRIBUTION. (a) The campaign treasurer
2 of a specific-purpose committee that receives a political
3 contribution or makes a direct campaign expenditure that is
4 considered under Section 253.203 or 253.204 to be a contribution to
5 a candidate or officeholder shall, not later than the fifth day
6 after the date the contribution is received or the expenditure is
7 made, deliver written notice of that fact to the affected candidate
8 or officeholder.

9 (b) A candidate or officeholder who receives a political
10 contribution covered by Section 253.202 shall, not later than the
11 fifth day after the date the contribution is received, deliver
12 written notice of that fact to the campaign treasurer of each
13 specific-purpose committee that notifies the candidate or
14 officeholder under Section 253.205 that the committee intends to
15 accept political contributions or make political expenditures on
16 the candidate's or officeholder's behalf.

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

18 (1) the full name and address of the person receiving
19 the political contribution and of the person's campaign treasurer,
20 if any;

21 (2) the full name and address of the person making the
22 contribution;

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

24 (4) the amount of the contribution.

25 (d) A person who violates this section is liable for a civil
26 penalty in an amount not to exceed three times the amount of
27 political contributions for which notice was not provided.

1 Sec. 253.207. RETURN OF EXCESS CONTRIBUTION. (a) A person
2 who receives a political contribution the acceptance of which would
3 violate Section 253.202 shall return the contribution to the
4 contributor not later than the 10th day after the date the
5 contribution is received.

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

8 SECTION 2. Section 253.003(c), Election Code, is amended to
9 read as follows:

10 (c) This section does not apply to a political contribution
11 made or accepted in violation of Subchapter F or G.

12 SECTION 3. Section 253.004(b), Election Code, is amended to
13 read as follows:

14 (b) This section does not apply to a political expenditure
15 made or authorized in violation of Subchapter F or G.

16 SECTION 4. Section 253.005(b), Election Code, is amended to
17 read as follows:

18 (b) This section does not apply to a political expenditure
19 that is:

20 (1) prohibited by Section 253.101; or

21 (2) made from a political contribution made in
22 violation of Subchapter F or G.

23 SECTION 5. Section 254.034, Election Code, is amended by
24 adding Subsection (d-1) to read as follows:

25 (d-1) This section applies to a political contribution
26 covered by Subchapter G, Chapter 253, except as provided by Section
27 253.207.

1 SECTION 6. Subchapter C, Chapter 254, Election Code, is
2 amended by adding Section 254.0612 to read as follows:

3 Sec. 254.0612. ADDITIONAL CONTENTS OF REPORTS BY CERTAIN
4 CANDIDATES. In addition to the contents required by Sections
5 254.031 and 254.061, each report by a candidate for an office to
6 which Subchapter G applies must include:

7 (1) for each political contribution or direct campaign
8 expenditure of which the candidate receives notice under Section
9 253.206:

10 (A) the full name and address of the committee
11 receiving the contribution or making the expenditure;

12 (B) the full name and address of the committee's
13 campaign treasurer;

14 (C) the full name and address of the person
15 making the contribution, if applicable;

16 (D) the date the contribution is received or
17 expenditure is made;

18 (E) the amount of the contribution or
19 expenditure; and

20 (F) an indication of whether the committee
21 accepted or refused the contribution; and

22 (2) for each person from whom, in the calendar year
23 containing the period covered by the report, the candidate has
24 accepted a political contribution or a specific-purpose committee
25 has accepted a political contribution of which the candidate
26 received notice under Section 253.206 or who has made a direct
27 campaign expenditure considered under Section 253.204 to be a

1 campaign contribution to the candidate, the aggregate total for
2 that calendar year of:

3 (A) political contributions accepted by the
4 candidate and by the committee from the person; and

5 (B) direct campaign expenditures made by the
6 person.

7 SECTION 7. 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 OFFICEHOLDERS. In addition to the contents required by Sections
11 254.031 and 254.091, each report by the holder of an office to which
12 Subchapter G applies must include the contents prescribed by
13 Section 254.0612.

14 SECTION 8. Subchapter E, Chapter 254, Election Code, is
15 amended by adding Section 254.1212 to read as follows:

16 Sec. 254.1212. ADDITIONAL CONTENTS OF REPORTS OF CERTAIN
17 COMMITTEES. In addition to the contents required by Sections
18 254.031 and 254.121, each report by a specific-purpose committee
19 for supporting or opposing a candidate for or assisting a holder of
20 an office to which Subchapter G applies must include the contents
21 prescribed by Section 254.0612.

22 SECTION 9. (a) Subchapter G, Chapter 253, Election Code,
23 as added by this Act, applies only to a political contribution
24 accepted or a political expenditure made on or after September 1,
25 2003. A political contribution accepted or a political expenditure
26 made before September 1, 2003, is governed by the law in effect at
27 the time the contribution was accepted or the expenditure was made

1 and is not aggregated with political contributions accepted or
2 political expenditures made on or after that date.

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

10 SECTION 10. This Act takes effect September 1, 2003.