

By: Villarreal

H.B. No. 145

A BILL TO BE ENTITLED

AN ACT

relating to limits on political contributions and direct campaign expenditures by individuals, partnerships, partners, and limited liability companies; providing civil and criminal 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. AGGREGATE LIMIT ON CONTRIBUTIONS

BY INDIVIDUAL, PARTNERSHIP, PARTNER, OR

LIMITED LIABILITY COMPANY

Sec. 253.201. APPLICABILITY OF SUBCHAPTER. This subchapter applies only to:

(1) a political contribution to a political committee established by a political party;

(2) a political contribution to a candidate for or holder of one of the following offices:

(A) a statewide office;

(B) the office of state senator;

(C) the office of state representative;

(D) the office of member, State Board of Education;

(E) the office of justice or chief justice, court of appeals; or

(F) the office of district judge;

1 (3) a political contribution to a specific-purpose
2 committee for supporting or opposing a candidate for an office
3 described by Subdivision (2) or assisting a holder of such an
4 office; and

5 (4) as provided by Section 253.206, a direct campaign
6 expenditure in connection with an office described by Subdivision
7 (2).

8 Sec. 253.202. DEFINITION. In this subchapter, "election
9 cycle" means the period beginning on January 1 of an odd-numbered
10 year and ending on December 31 of the following even-numbered year.

11 Sec. 253.203. CONTRIBUTION LIMITS. (a) An individual may
12 not knowingly make or authorize political contributions to which
13 this subchapter applies that in the aggregate exceed \$100,000 in an
14 election cycle.

15 (b) Notwithstanding Subsection (a), an individual who is
16 younger than 18 years of age and who has not had the disabilities of
17 minority removed for general purposes may not knowingly make or
18 authorize political contributions to which this subchapter applies
19 that in the aggregate exceed \$5,000 in an election cycle.

20 (c) A candidate, officeholder, or political committee may
21 not knowingly accept a political contribution that the person knows
22 to have been made or authorized in violation of Subsection (a) or
23 (b). A candidate, officeholder, or political committee that
24 receives a political contribution made in violation of Subsection
25 (a) or (b) shall return the contribution to the individual making
26 the contribution not later than the 10th day after the date on which
27 the person determines the contribution has been made in violation

1 of Subsection (a) or (b).

2 (d) A person may not knowingly aid or abet the making of a
3 political contribution in violation of Subsection (a) or (b).

4 (e) A person who violates this section commits an offense.
5 An offense under this subsection is a felony of the third degree.

6 Sec. 253.204. RECEIPT OF CONTRIBUTION INTENDED FOR ANOTHER.
7 For purposes of Section 253.203, a political contribution is
8 considered to be a contribution to a candidate, officeholder, or
9 political committee if the person making the contribution in any
10 way indicates to the person receiving the contribution that the
11 contribution is intended for the candidate, officeholder, or
12 committee. A person that receives a political contribution to which
13 this section applies shall:

14 (1) report the contribution under Chapter 254 as if
15 the person were a general-purpose committee;

16 (2) notify in writing the candidate, officeholder, or
17 political committee for whom the contribution is intended of the
18 amount of the contribution, the date it was made, and the name and
19 address of the person making the contribution; and

20 (3) not later than the 14th business day after the date
21 on which the person receives the contribution, deliver the
22 contribution to the candidate, officeholder, or political
23 committee for whom the contribution is intended.

24 Sec. 253.205. CONTRIBUTIONS BY PARTNERSHIPS, PARTNERS, AND
25 LIMITED LIABILITY COMPANIES. (a) A general or limited partnership
26 may not knowingly make or authorize political contributions to
27 which this subchapter applies that in the aggregate exceed \$100,000

1 in an election cycle.

2 (b) A political contribution by a general or limited
3 partnership shall be attributed to the partnership and, as follows,
4 to each partner for purposes of the aggregate limit prescribed by
5 Section 253.203:

6 (1) in direct proportion to the partner's share of the
7 partnership profits, according to instructions provided by the
8 partnership to the candidate, officeholder, or political
9 committee; or

10 (2) by agreement of the partners, but only if:

11 (A) only a partner to whom the contribution is
12 attributed has the partner's profits reduced or losses increased;
13 and

14 (B) a partner's profits are reduced or losses are
15 increased in proportion to the amount of the contribution
16 attributed to the partner.

17 (c) No portion of a political contribution may be made from
18 the profits of a partner that is a corporation to which Subchapter D
19 applies.

20 (d) A political contribution by a limited liability company
21 that elects to be treated as a partnership by the Internal Revenue
22 Service, or that does not elect to be treated as a partnership or
23 corporation, is considered a contribution subject to Subsections
24 (a) and (b).

25 (e) A political contribution by a limited liability company
26 that elects to be treated as a corporation by the Internal Revenue
27 Service is considered a contribution by a corporation to which

1 Subchapter D applies.

2 Sec. 253.206. CERTAIN DIRECT CAMPAIGN EXPENDITURES
3 CONSIDERED CONTRIBUTION TO CANDIDATE. For purposes of Section
4 253.203, 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. 253.207. REVIEW OF CONTRIBUTIONS BY COMMISSION. Not
14 later than March 1 of each odd-numbered year, the commission shall:

15 (1) conduct a comprehensive computer review of the
16 commission's records of political contributions made by
17 individuals during the preceding election cycle to determine if any
18 individual exceeded the limit prescribed by Section 253.203; and

19 (2) make the results of the review available to the
20 public.

21 SECTION 2. Section 254.034, Election Code, is amended by
22 adding Subsection (f) to read as follows:

23 (f) This section applies to a political contribution
24 covered by Subchapter G, Chapter 253, except as provided by Section
25 253.203.

26 SECTION 3. Subchapter G, Chapter 253, Election Code, as
27 added by this Act, applies only to a political contribution or

1 direct campaign expenditure made on or after September 1, 2006. A
2 political contribution or direct campaign expenditure made before
3 September 1, 2006, is governed by the law in effect at the time the
4 contribution or expenditure was made and is not aggregated with
5 political contributions or direct campaign expenditures made on or
6 after that date.

7 SECTION 4. This Act takes effect September 1, 2006.