

BILL ANALYSIS

H.B. 73
By: Naishtat
Elections
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Previous ethics reform legislation set limits on the amount of political contributions statewide candidates can use to pay back personal loans made to their campaigns. However, the law does not extend the limits to personally-guaranteed bank loans or other loans for which the candidate or officeholder is personally liable. Because this practice is not specifically prohibited, candidates and officeholders can simply avoid the limits established by the legislature. House Bill 73 applies these limits to all loans for which the candidate or officeholder is personally liable or guarantees.

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

House Bill 73 amends the Election Code to prohibit a candidate or officeholder from using political contributions that in the aggregate exceed \$500,000 for governor, and \$250,000 for other statewide races, to pay back any loan or extension of credit that the candidate or officeholder is personally liable for or guarantees.

The bill prohibits judicial candidates and officeholders from using political contributions, in any amount, to repay personal loans from relatives of the candidate or officeholder, rather than only prohibiting the repayment of loans accepted as political contributions. The bill also prohibits a judicial candidate or officeholder from using political contributions in an amount that in the aggregate 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 pay back any loans that the candidate or officeholder is personally liable for or guarantees. The bill also prohibits the total amount of both the reimbursements to personal funds and the repayment of bank loans made by the judicial candidate or officeholders from exceeding this amount.

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, 2005.