

BILL ANALYSIS

C.S.H.B. 2491
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Elections
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Under current law, a corporation is prohibited from making a political contribution or a political expenditure that is not specifically authorized. A violation of the law is a felony of the third degree. However, the question that often arises is whether a corporate expenditure constitutes an administrative expenditure which is permissible under the Election Code. The legislature, the courts, and the commission have struggled with questions in this area. C.S.H.B. 2491 clarifies Texas campaign finance laws by detailing which "administrative expenses" of a political action committee (PAC) may be paid for by corporations.

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

C.S.H.B. 2491 amends the Election Code by defining permissible political expenditures made by corporations for the purpose of financing the establishment or administration of a general-purpose committee. Permissible expenditures include those specifically listed for the maintenance and operation of a general-purpose committee. The bill explicitly lists which expenditures are not permissible by a corporation or labor organization.

This bill allows the Texas Ethics Commission to consider relevant federal election laws and opinions for guidance when issuing an advisory opinion on the question of whether a political expenditure is for the establishment or administration of a general-purpose committee.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The changes made by the committee substitute are found in SECTION 1 of the bill. C.S.H.B. 2491 specifically lists thirteen acceptable expenditures that can be made by a corporation for the maintenance and operation of a general-purpose committee and explicitly lists six types of expenditures that a corporation or labor group may not make. Additionally, the committee substitute changes the effective date to make the bill effective upon passage if it receives the necessary vote.