

BILL ANALYSIS

H.B. 2492
By: Berman
Elections
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Under current law, corporations are restricted from making direct campaign expenditures or political expenditures that are not specifically authorized. The current corporate restriction applies to corporations organized under the Texas Business Corporation Act, the Texas Non-Profit Corporation Act, federal law, or law of another state or nation. However, beginning on January 1, 2006, businesses no longer organize under the Texas Business Corporation Act or the Texas Non-Profit Corporation Act. Instead, these same type businesses organize under the new Texas Business Organizations Code (BOC).

H.B. 2492 will update Texas campaign finance laws to reflect the new forms of Texas corporate entities to ensure that the Texas prohibition against campaign contributions from corporations remains strong.

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

H.B. 2492 amends the Election Code by adding corporations that are organized under the Texas For-Profit Corporation Law and the Texas Nonprofit Corporation Law to the list of those corporations covered by restrictions on corporate political contributions and expenditures.

EFFECTIVE DATE

September 1, 2007.