

By: Naishtat

H.B. No. 1041

A BILL TO BE ENTITLED

AN ACT

relating to restrictions on payment of certain loans with political contributions.

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

SECTION 1. Section 253.042(b), Election Code, is amended to read as follows:

(b) A candidate or officeholder who accepts one or more political contributions in the form of loans, including an extension of credit or a guarantee of a loan or extension of credit, from one or more persons related to the candidate or officeholder within the second degree by affinity or consanguinity may not use political contributions to repay the loans in amounts that in the aggregate exceed the amount prescribed by Subsection (a). A candidate or officeholder may not use political contributions, in amounts that in the aggregate exceed the amount prescribed by Subsection (a), to repay any other loan or extension of credit for which the candidate or officeholder is personally liable or is obligated or that the candidate or officeholder guarantees.

SECTION 2. Section 253.162, Election Code, is amended by amending Subsections (b) and (c) and adding Subsection (b-1) to read as follows:

(b) A judicial candidate or officeholder may not:
(1) use political contributions to repay a loan ~~[who accepts one or more political contributions in the form of loans],~~

1 including an extension of credit or a guarantee of a loan or
2 extension of credit, from one or more persons related to the
3 candidate or officeholder within the second degree by
4 consanguinity, as determined under [~~Subchapter B,~~] Chapter 573,
5 Government Code; or

6 (2) use political contributions, in amounts that in
7 the aggregate exceed the amount prescribed by Subsection (a), to
8 repay any other loan or extension of credit for which the candidate
9 or officeholder is personally liable or is obligated or that the
10 candidate or officeholder guarantees~~[, may not use political~~
11 ~~contributions to repay the loans].~~

12 (b-1) The total amount of both reimbursements under
13 Subsection (a) and repayments under Subsection (b)(2) made by a
14 candidate or officeholder may not exceed the amount prescribed by
15 Subsection (a).

16 (c) A person who is both a candidate and an officeholder may
17 reimburse the person's personal funds or repay loans from political
18 contributions only in one capacity.

19 SECTION 3. Sections 253.042(b) and 253.162, Election Code,
20 as amended by this Act, apply only to repayment of a loan or
21 extension of credit made on or after September 1, 2007. The
22 repayment of a loan or extension of credit made before September 1,
23 2007, is governed by the law in effect on the date the loan or
24 extension of credit is made, and the former law is continued in
25 effect for that purpose.

26 SECTION 4. This Act takes effect September 1, 2007.