

By: Smith of Tarrant

H.B. No. 1085

A BILL TO BE ENTITLED

1 AN ACT

2 relating to political contributions and expenditures; providing
3 civil and criminal penalties.

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

5 SECTION 1. Section 251.001, Election Code, is amended by
6 amending Subdivisions (2) and (8) and adding Subdivisions (21)-(33)
7 to read as follows:

8 (2) "Contribution" means a direct or indirect transfer
9 of money, goods, services, or any other thing of value and includes
10 an agreement made or other obligation incurred, whether legally
11 enforceable or not, to make a transfer. The term:

12 (A) includes:

13 (i) a loan or extension of credit, other
14 than those expressly excluded by this subdivision;

15 (ii) ~~[, and]~~ a guarantee of a loan or
16 extension of credit, including a loan described by Subparagraph
17 (i);

18 (iii) a coordinated expenditure; or

19 (iv) the provision of in-kind professional
20 political services, including legal advice, polling, media
21 consulting, direct mailing, and fund-raising to a candidate,
22 officeholder, political party, or political committee; and

23 (B) ~~[this subdivision. The term]~~ does not
24 include:

1 (i) [~~(A)~~] a loan made in the due course of
2 business by a corporation that is legally engaged in the business of
3 lending money and that has conducted the business continuously for
4 more than one year before the loan is made; or

5 (ii) [~~(B)~~] an expenditure required to be
6 reported under Section 305.006(b), Government Code.

7 (8) "Direct campaign expenditure" means an [~~a~~
8 ~~campaign~~] expenditure by a person for a communication that is
9 express advocacy or an electioneering communication and that is not
10 a coordinated expenditure with a candidate, officeholder,
11 political committee, or agent of a candidate, officeholder, or
12 political committee [~~that does not constitute a campaign~~
13 ~~contribution by the person making the expenditure~~].

14 (21) "Membership organization" means a trade
15 association, cooperative, or corporation without capital stock
16 that:

17 (A) is composed of members, some or all of whom
18 are vested with the authority to operate or administer the
19 organization according to the organization's articles, bylaws,
20 constitution, or other formal organizational documents;

21 (B) expressly states the qualifications and
22 requirements for membership in its articles, bylaws, constitution,
23 or other formal organizational documents;

24 (C) makes its articles, bylaws, constitution, or
25 other formal organizational documents available to its members upon
26 request;

27 (D) solicits persons to become members;

1 (E) expressly acknowledges the acceptance of
2 membership by sending a membership card, including the member's
3 name on a membership newsletter list, or using another means; and

4 (F) is not organized primarily for the purpose of
5 influencing the nomination for election, or election, of an
6 individual to public office.

7 (22) "Member" means a person who:

8 (A) satisfies the requirements for membership in
9 a membership organization;

10 (B) affirmatively accepts the membership
11 organization's invitation to become a member;

12 (C) has a significant financial attachment to,
13 including a significant investment or ownership interest in, the
14 membership organization or pays membership dues, other than
15 payments to a separate segregated fund, at least annually to the
16 organization;

17 (D) has a significant organizational attachment
18 to the membership organization that includes affirmation of
19 membership on at least an annual basis; and

20 (E) has an opportunity to participate in any part
21 of the organization's decision-making.

22 (23) "Connected organization" means a corporation,
23 labor organization, or membership organization other than a
24 political committee, that directly or indirectly establishes or
25 administers a separate segregated fund.

26 (24) "Establishment or administration expense" means
27 an expenditure incurred in the normal course of business by an

1 organization, regardless of whether the organization engages in
2 political activity. An expenditure is an establishment or
3 administration expense if the expenditure:

4 (A) is for:

5 (i) office space;

6 (ii) phones;

7 (iii) salaries for routine clerical and
8 administrative assistance;

9 (iv) utilities;

10 (v) general office supplies;

11 (vi) legal and accounting fees for the
12 organization's compliance with this title;

13 (vii) office equipment;

14 (viii) routine administrative expenses
15 incurred in setting up and administering a separate segregated
16 fund;

17 (ix) management and supervision of the
18 separate segregated fund, including expenses incurred in
19 determining endorsements or to whom the fund will contribute;

20 (x) expenses incurred in delivering a
21 contribution; or

22 (xi) administrative expenditures
23 permissible under federal election law and opinions; and

24 (B) is not for political activity, including:

25 (i) political consulting, other than for
26 determining endorsements;

27 (ii) telephone banks to communicate with

1 voters;

2 (iii) electioneering brochures and direct
3 mail;

4 (iv) partisan voter registration and
5 get-out-the-vote drives;

6 (v) issue advertising or electioneering
7 communications;

8 (vi) political fund-raising; and

9 (vii) voter identification, lists, or
10 databases.

11 (25) "Restricted class" means the group of individuals
12 who:

13 (A) for a corporation, are the stockholders,
14 employees, and families of the stockholders and employees of the
15 corporation or the corporation's subsidiaries, branches,
16 divisions, affiliates, or departments;

17 (B) for a labor organization, are the members,
18 employees, and families of the members and employees of the labor
19 organization; or

20 (C) for a membership organization:

21 (i) are the members, employees, and
22 families of employees of the organization; or

23 (ii) with respect to a solicitation for a
24 campaign contribution, are the stockholders, employees, and
25 families of stockholders and employees of a corporate member of a
26 membership organization that separately and specifically approves
27 the solicitation and does not approve a solicitation by any other

1 membership organization for the same calendar year.

2 (26) "Executive or administrative personnel" means
3 individuals employed by a corporation, labor organization, or
4 membership organization who are paid on a salary or commission
5 basis and who have policymaking, managerial, professional, or
6 supervisory responsibilities. The term includes officers,
7 executives, managers of a plant, division, or section of the
8 corporation or organization, lawyers, and engineers. The term does
9 not include professionals who are represented by a labor
10 organization, salaried foremen or supervisors having direct
11 supervision over hourly employees, former or retired personnel who
12 are not stockholders, or individuals who are not employees for the
13 purpose of income withholding tax on employee wages under the
14 Internal Revenue Code.

15 (27) "Separate segregated fund" means a fund
16 established under Section 253.1001.

17 (28) "Coordinated expenditure" means an expenditure
18 described by Section 251.010.

19 (29) "Electioneering communication" means a
20 communication that:

21 (A) is disseminated by a broadcast, cable, or
22 satellite communication, a mass mailing, or a telephone bank;

23 (B) refers to a clearly identified candidate;

24 (C) is publicly distributed:

25 (i) on or after the 60th day before a
26 general, special, or runoff election for the identified candidate;

27 or

1 (ii) on or after the 30th day before a
2 primary election;

3 (D) is targeted to the identified candidate's
4 relevant electorate; and

5 (E) is not:

6 (i) a public communication that refers to a
7 clearly identified candidate appearing in a news story, commentary,
8 editorial, or work intended for entertainment distributed through
9 the facilities of a bona fide broadcasting station, newspaper,
10 magazine, or other publication, unless such facilities are owned or
11 controlled by a political party, political committee, or candidate;
12 or

13 (ii) a communication to the restricted
14 class of the person making the communication.

15 (30) A communication is "targeted to the relevant
16 electorate" if it can be received by at least the lesser of 50,000
17 people or two percent of those eligible to vote for the candidate,
18 as specified by the secretary of state. Notwithstanding this
19 subdivision, a communication is not "targeted to the relevant
20 electorate" if it can only be received by fewer than 500 people.

21 (31) "Mass mailing" means the mailing or facsimile
22 transmission of more than 500 identical or substantially similar
23 documents within a 30-day period.

24 (32) A communication is made by a "telephone bank" if
25 more than 500 telephone calls with an identical or substantially
26 similar message are made within a 30-day period.

27 (33) "Express advocacy" means a communication that

1 refers to a clearly identified candidate and that expressly
2 advocates for or against the candidate, regardless of the words
3 contained in the communication. The term "express advocacy" does
4 not include:

5 (A) a communication that refers to a clearly
6 identified candidate appearing in a news story, commentary,
7 editorial, or work intended for entertainment distributed through
8 the facilities of a bona fide broadcasting station, newspaper,
9 magazine, or other publication, unless such facilities are owned or
10 controlled by a political party, political committee, or candidate;
11 or

12 (B) a communication to the restricted class of
13 the person making the communication.

14 SECTION 2. Subchapter A, Chapter 251, Election Code, is
15 amended by adding Section 251.010 to read as follows:

16 Sec. 251.010. COORDINATED EXPENDITURES. An expenditure is
17 coordinated with a candidate, officeholder, political party, or
18 political committee if the expenditure is made:

19 (1) in cooperation, consultation, or concert with, at
20 the request or suggestion of, or under an understanding with the
21 candidate, officeholder, political party, or political committee
22 or an agent acting on behalf of the candidate, officeholder, party,
23 or committee;

24 (2) wholly or partly for the production,
25 dissemination, distribution, or publication of political
26 advertising or a campaign communication prepared by the candidate,
27 officeholder, or political committee or an agent acting on behalf

1 of the candidate, officeholder, or committee;

2 (3) by a person based on information that the
3 candidate, officeholder, or political committee or an agent acting
4 on behalf of the candidate, officeholder, or committee provides to
5 the person about a candidate's, officeholder's, or committee's
6 plans, projects, or needs to the person making the expenditure with
7 the intent that the expenditure be made;

8 (4) by a person who, in the same semiannual reporting
9 period as that in which the expenditure is made, is serving or has
10 served in an executive or policymaking position as a member,
11 employee, fund-raiser, or agent of the candidate, officeholder, or
12 political committee or an agent acting on behalf of the candidate,
13 officeholder, or committee;

14 (5) by a person who retains the professional advisory
15 or consulting services of another person who has provided or is
16 providing campaign-related services in the same semiannual
17 reporting period as that in which the expenditure is made to the
18 candidate or officeholder, including services relating to the
19 candidate's or officeholder's decision to seek the office;

20 (6) for fund-raising activities with or for the
21 candidate, officeholder, or political committee or an agent acting
22 on behalf of the candidate, officeholder, or committee, or for the
23 solicitation or receipt of political contributions on behalf of the
24 candidate, officeholder, or political committee or an agent acting
25 on behalf of the candidate, officeholder, or committee; or

26 (7) for a communication that clearly identifies a
27 candidate if the person making the expenditure informs the

1 candidate, officeholder, or political committee or an agent acting
2 on behalf of the candidate, officeholder, or committee about the
3 communication's contents, intended audience, timing, location,
4 mode, or frequency of dissemination, and the candidate,
5 officeholder, committee, or agent approves the communication.

6 SECTION 3. Section 253.002(a), Election Code, is amended to
7 read as follows:

8 (a) A person may not knowingly make, ~~or~~ authorize, or aid
9 the making of a direct campaign expenditure.

10 SECTION 4. Section 253.061, Election Code, is amended to
11 read as follows:

12 Sec. 253.061. DIRECT EXPENDITURE OF \$1,000 [~~\$100~~] OR LESS.
13 Except as otherwise provided by law, an individual not acting in
14 concert with another person may make one or more direct campaign
15 expenditures in an election from the individual's own property if:

16 (1) the total expenditures on any one or more
17 candidates or measures do not exceed \$1,000 [~~\$100~~]; and

18 (2) the individual receives no reimbursement for the
19 expenditures.

20 SECTION 5. The heading to Section 253.062, Election Code,
21 is amended to read as follows:

22 Sec. 253.062. DIRECT EXPENDITURE EXCEEDING \$1,000 [~~\$100~~].

23 SECTION 6. Section 253.062(a), Election Code, is amended to
24 read as follows:

25 (a) Except as otherwise provided by law, an individual not
26 acting in concert with another person may make one or more direct
27 campaign expenditures in an election from the individual's own

1 property that exceed \$1,000 [~~\$100~~] on any one or more candidates or
2 measures if:

3 (1) the individual complies with Chapter 254 as if the
4 individual were a campaign treasurer of a political committee; and

5 (2) the individual receives no reimbursement for the
6 expenditures.

7 SECTION 7. The heading to Subchapter D, Chapter 253,
8 Election Code, is amended to read as follows:

9 SUBCHAPTER D. CORPORATIONS, [AND] LABOR ORGANIZATIONS, [
10 AND MEMBERSHIP ORGANIZATIONS

11 SECTION 8. Section 253.091, Election Code, is amended to
12 read as follows:

13 Sec. 253.091. CORPORATIONS COVERED. This subchapter
14 applies only to:

15 (1) corporations that are organized under the Texas
16 Business Corporation Act, the Texas For-Profit Corporation Law, the
17 Texas Non-Profit Corporation Act, the Texas Nonprofit Corporation
18 Law, federal law, or law of another state or nation; and

19 (2) an entity with a parent, subsidiary, division, or
20 affiliate described by Subdivision (1).

21 SECTION 9. Section 253.095, Election Code, is amended to
22 read as follows:

23 Sec. 253.095. PUNISHMENT OF AGENT. An officer, director,
24 representative, or other agent of or a person who aids a corporation
25 or labor organization that [~~who~~] commits an offense under this
26 subchapter is punishable for the grade of offense applicable to the
27 corporation or labor organization.

1 SECTION 10. The heading to Section 253.098, Election Code,
2 is amended to read as follows:

3 Sec. 253.098. COMMUNICATION WITH RESTRICTED CLASS
4 [~~STOCKHOLDERS OR MEMBERS~~].

5 SECTION 11. Section 253.098(a), Election Code, is amended
6 to read as follows:

7 (a) A corporation, ~~[or]~~ labor organization, or membership
8 organization may make one or more direct campaign expenditures from
9 its own property for the purpose of communicating directly with its
10 restricted class [~~stockholders or members, as applicable, or with~~
11 ~~the families of its stockholders or members~~].

12 SECTION 12. Section 253.099(a), Election Code, is amended
13 to read as follows:

14 (a) A corporation, ~~[or]~~ labor organization, or membership
15 organization may make one or more expenditures from its own
16 property to finance nonpartisan voter registration and
17 get-out-the-vote campaigns aimed at its restricted class
18 [~~stockholders or members, as applicable, or at the families of its~~
19 ~~stockholders or members~~].

20 SECTION 13. Subchapter D, Chapter 253, Election Code, is
21 amended by adding Sections 253.1001 and 253.1002 to read as
22 follows:

23 Sec. 253.1001. EXPENDITURES FOR SEPARATE SEGREGATED FUND.

24 (a) A corporation, labor organization, or membership organization,
25 other than a political committee, may make political expenditures
26 from its own treasury funds and property to finance the
27 establishment or administration expenses of not more than one

1 separate segregated fund.

2 (b) For purposes of this section, all parents,
3 subsidiaries, branches, divisions, and affiliates of a corporation
4 or membership organization count as a single entity.

5 (c) A corporation or labor organization may make a political
6 expenditure from its own treasury funds or property for
7 establishment or administration expenses of one membership
8 organization of which it is a member.

9 (d) Money in a separate segregated fund from corporate,
10 labor organization, or membership organization treasury funds
11 shall be kept in a separate account and may not be commingled with
12 any other funds. A person who knowingly violates this subsection
13 commits an offense. An offense under this subsection is a Class A
14 misdemeanor.

15 (e) A separate segregated fund shall be treated as a
16 general-purpose committee and shall comply with the provisions of
17 this title applicable to a general-purpose committee as if the
18 separate segregated fund were a general-purpose committee.

19 Sec. 253.1002. SOLICITATION FOR SEPARATE SEGREGATED FUNDS.

20 (a) Subject to Subsection (c), a connected organization may make a
21 political expenditure from its own treasury funds for expenses to
22 solicit or facilitate political contributions from its restricted
23 class for the organization's separate segregated fund.

24 (b) A connected organization may facilitate a political
25 contribution from its restricted class under Subsection (a) by
26 enabling a contribution to be made by a payroll deduction, checking
27 a form to indicate a contribution is authorized, instituting a

1 periodic payment plan, or enclosing a return envelope in a
2 solicitation request. A connected organization may solicit a
3 voluntary political contribution from its restricted class under
4 Subsection (a) by mailings, oral requests, pamphlets, and other
5 means.

6 (c) A corporation or labor organization may not make more
7 than two written solicitations for contributions to the separate
8 segregated fund in a calendar year to employees who are not
9 stockholders, executive or administrative personnel, or the
10 families of stockholders or executive or administrative personnel.

11 SECTION 14. The heading to Section 253.101, Election Code,
12 is amended to read as follows:

13 Sec. 253.101. UNLAWFUL CONTRIBUTION OR EXPENDITURE [~~BY~~
14 ~~COMMITTEE~~].

15 SECTION 15. Section 253.101, Election Code, is amended by
16 amending Subsection (a) and adding Subsections (a-1) and (a-2) to
17 read as follows:

18 (a) A person, including a connected [~~political committee~~
19 ~~assisted by a corporation or labor~~] organization, [~~under Section~~
20 ~~253.100~~] may not make a political contribution or political
21 expenditure in whole or part from money that is known by the person
22 or a member or officer of the person [~~political committee~~] to be
23 dues, fees, or other money required as a condition of employment or
24 promotion or condition of membership in a labor organization.

25 (a-1) A person, including a connected organization, may not
26 use the establishment, administration, and solicitation process as
27 a means of exchanging treasury money for voluntary contributions.

1 (a-2) A person, including a connected organization, may
2 not, through a bonus, expense account, or another form of direct or
3 indirect compensation or reimbursement, pay another person for
4 making a political contribution.

5 SECTION 16. Sections 253.102(a) and (b), Election Code, are
6 amended to read as follows:

7 (a) A stockholder's, employee's or labor organization
8 member's contribution must be voluntary. A corporation, ~~[or]~~ labor
9 organization, membership organization, or other person ~~[or a~~
10 ~~political committee assisted by a corporation or labor organization~~
11 ~~under Section 253.100]~~ commits an offense if the person ~~[it]~~ uses or
12 threatens to use physical force, job discrimination, or financial
13 reprisal or gain against an employee or labor organization member
14 to obtain money or any other thing of value to benefit a candidate,
15 officeholder, political committee, or separate segregated fund or
16 to be used to influence the result of an election or to assist an
17 officeholder.

18 (b) A political committee assisted by a corporation or labor
19 organization ~~[under Section 253.100]~~ commits an offense if it
20 accepts or uses money or any other thing of value that is known by a
21 member or officer of the political committee to have been obtained
22 in violation of Subsection (a).

23 SECTION 17. Section 253.104(b), Election Code, is amended
24 to read as follows:

25 (b) A corporation or labor organization may not knowingly
26 make a contribution authorized by Subsection (a) during a period
27 beginning on the 60th day before the date of a general election for

1 state and county officers or a primary election and continuing
2 through the day of the election.

3 SECTION 18. Section 254.031(a), Election Code, is amended
4 to read as follows:

5 (a) Except as otherwise provided by this chapter, each
6 report filed under this chapter must include:

7 (1) the amount of political contributions from each
8 person that in the aggregate equal or exceed \$100 [~~\$50~~] and that are
9 accepted during the reporting period by the person or committee
10 required to file a report under this chapter, the full name and
11 address of the person making the contributions, and the dates of the
12 contributions;

13 (2) the amount of loans that are made during the
14 reporting period for campaign or officeholder purposes to the
15 person or committee required to file the report and that in the
16 aggregate equal or exceed \$100 [~~\$50~~], the dates the loans are made,
17 the interest rate, the maturity date, the type of collateral for the
18 loans, if any, the full name and address of the person or financial
19 institution making the loans, the full name and address, principal
20 occupation, and name of the employer of each guarantor of the loans,
21 the amount of the loans guaranteed by each guarantor, and the
22 aggregate principal amount of all outstanding loans as of the last
23 day of the reporting period;

24 (3) the amount of political expenditures that in the
25 aggregate equal or exceed \$100 [~~\$50~~] and that are made during the
26 reporting period, the full name and address of the persons to whom
27 the expenditures are made, and the dates and purposes of the

1 expenditures;

2 (4) the amount of each payment made during the
3 reporting period from a political contribution if the payment is
4 not a political expenditure, the full name and address of the person
5 to whom the payment is made, and the date and purpose of the
6 payment;

7 (5) the total amount or a specific listing of the
8 political contributions of [~~\$50 or~~] less than \$100 accepted and the
9 total amount or a specific listing of the political expenditures of
10 [~~\$50 or~~] less than \$100 made during the reporting period;

11 (6) the total amount of all political contributions
12 accepted and the total amount of all political expenditures made
13 during the reporting period;

14 (7) the name of each candidate or officeholder who
15 benefits from a direct campaign expenditure made during the
16 reporting period by the person or committee required to file the
17 report, and the office sought or held, excluding a direct campaign
18 expenditure that is made by the principal political committee of a
19 political party on behalf of a slate of two or more nominees of that
20 party; and

21 (8) as of the last day of a reporting period for which
22 the person is required to file a report, the total amount of
23 political contributions accepted, including interest or other
24 income on those contributions, maintained in one or more accounts
25 in which political contributions are deposited as of the last day of
26 the reporting period.

27 SECTION 19. Section 254.151, Election Code, is amended to

1 read as follows:

2 Sec. 254.151. ADDITIONAL CONTENTS OF REPORTS. In addition
3 to the contents required by Section 254.031, each report by a
4 campaign treasurer of a general-purpose committee must include:

5 (1) the committee's full name and address;

6 (2) the full name, residence or business street
7 address, and telephone number of the committee's campaign
8 treasurer;

9 (3) the identity and date of the election for which the
10 report is filed, if applicable;

11 (4) the name of each identified candidate or measure
12 or classification by party of candidates supported or opposed by
13 the committee, indicating whether the committee supports or opposes
14 each listed candidate, measure, or classification by party of
15 candidates;

16 (5) the name of each identified officeholder or
17 classification by party of officeholders assisted by the committee;

18 (6) the principal occupation of each person from whom
19 political contributions that in the aggregate equal or exceed \$100
20 [~~\$50~~] are accepted during the reporting period;

21 (7) the amount of each political expenditure in the
22 form of a political contribution made to a candidate, officeholder,
23 or another political committee that is returned to the committee
24 during the reporting period, the name of the person to whom the
25 expenditure was originally made, and the date it is returned;

26 (8) on a separate page or pages of the report, the
27 identification of any contribution from a corporation or labor

1 organization made and accepted under Subchapter D, Chapter 253; and

2 (9) on a separate page or pages of the report, the
3 identification of the name of the donor, the amount, and the date of
4 any expenditure made by a corporation or labor organization to:

5 (A) establish or administer the political
6 committee; or

7 (B) finance the solicitation of political
8 contributions to the committee [~~under Section 253.100~~].

9 SECTION 20. Subchapter F, Chapter 254, Election Code, is
10 amended by adding Section 254.1511 to read as follows:

11 Sec. 254.1511. REPORTING OF EXPENDITURES BY SEPARATE
12 SEGREGATED FUND. A separate segregated fund shall report
13 expenditures made under Sections 253.098, 253.099, 253.1001, and
14 253.1002 on a separate schedule.

15 SECTION 21. Section 254.156, Election Code, is amended to
16 read as follows:

17 Sec. 254.156. CONTENTS OF MONTHLY REPORTS. Each monthly
18 report filed under this subchapter must comply with Sections
19 254.031 and 254.151 except that the maximum amount of a political
20 contribution, expenditure, or loan that is not required to be
21 individually reported is[+]

22 [~~(1) \$10 in the aggregate, or~~

23 [~~(2) \$20 in the aggregate [for a contribution~~
24 ~~accepted by a general purpose committee to which Section 254.1541~~
25 ~~applies]~~].

26 SECTION 22. Section 257.001, Election Code, is amended to
27 read as follows:

1 Sec. 257.001. PRINCIPAL POLITICAL COMMITTEE OF POLITICAL
2 PARTY. The state or county executive committee of a political party
3 may designate not more than one [~~a~~] general-purpose committee as
4 the principal political committee for that party in the state or
5 county, as applicable.

6 SECTION 23. Section 257.002, Election Code, is amended to
7 read as follows:

8 Sec. 257.002. REQUIREMENTS RELATING TO CORPORATE OR LABOR
9 UNION CONTRIBUTIONS. (a) A political party that accepts a
10 contribution authorized by Section 253.104 may use the contribution
11 only [~~to~~]:

12 (1) for its own establishment or administrative
13 expenses [~~defray normal overhead and administrative or operating~~
14 ~~costs incurred by the party~~]; [~~or~~]

15 (2) to administer a primary election;

16 (3) for the establishment or administrative expenses
17 of a [~~or~~] convention held by the party; or

18 (4) for expenses related to redistricting.

19 (b) A political party that accepts contributions authorized
20 by Section 253.104 shall maintain the contributions in a separate
21 account and shall pay all allowable expenditures under Subsection
22 (a) owed to a third-party vendor or contractor directly from the
23 separate account. A political party may not transfer a contribution
24 authorized by Section 253.104 to a political committee or another
25 entity directly or indirectly under the party's direction or
26 control.

27 SECTION 24. Section 257.003, Election Code, is amended by

1 adding Subsection (e) to read as follows:

2 (e) Sections 254.153 and 254.154 govern the reporting
3 schedule for a report required by this section.

4 SECTION 25. Section 257.004, Election Code, is amended by
5 amending Subsection (a) and adding Subsection (c) to read as
6 follows:

7 (a) Beginning on the 60th day before the date of the general
8 election for state and county officers and continuing through the
9 day of the election, a political party may not knowingly accept a
10 contribution authorized by Section 253.104 or make an expenditure
11 from the account required by Section 257.002. Beginning on the 60th
12 day before the date of a primary election, a political party may not
13 knowingly accept a contribution authorized by Section 253.104.

14 (c) A contribution is accepted under this section when it is
15 received by or on behalf of the party, unless the contribution is
16 returned to the contributor not later than the fifth day after the
17 date the contribution is received. An expenditure is made from the
18 account established under Section 257.002 when any funds are
19 expended or obligated, whichever is earlier.

20 SECTION 26. Section 257.007, Election Code, is amended to
21 read as follows:

22 Sec. 257.007. RULES. The commission shall adopt rules to
23 implement this chapter and ensure that corporate or labor
24 organization funds are not used for political activity in
25 circumvention of this chapter.

26 SECTION 27. Sections 253.098(b), 253.099(b), 253.100, and
27 257.003(d), Election Code, are repealed.

1 SECTION 28. The changes in law made by this Act apply only
2 to a contribution or expenditure made on or after September 1, 2007.
3 A contribution or expenditure made before September 1, 2007, is
4 governed by the law in effect immediately before that date, and the
5 former law is continued in effect for that purpose.

6 SECTION 29. The amendment by this Act of Subdivision (2),
7 Section 251.001, Election Code, by the addition of Paragraph
8 (A)(iv) to that subdivision is intended to clarify rather than
9 change existing law.

10 SECTION 30. This Act takes effect September 1, 2007.