

By: Shapleigh

S.B. No. 613

A BILL TO BE ENTITLED

AN ACT

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

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

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

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

(A) includes:

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

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

(iii) a coordinated expenditure; or

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

(B) [~~this subdivision. The term~~] does not  
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

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

(A) is for:

(i) office space;

(ii) phones;

(iii) salaries for routine clerical and administrative assistance;

(iv) utilities;

(v) general office supplies;

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

(vii) office equipment; or

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

(B) is not for political activity, including:

(i) political consulting;

(ii) telephone banks;

(iii) issue advocacy;

(iv) electioneering brochures and direct mail;

(v) voter registration and get-out-the-vote drives;

(vi) broadcast issue advertising or electioneering communications;

(vii) other political advertising;

1                   (viii) political fund-raising;  
2                   (ix) voter identification, lists, or  
3 databases; and  
4                   (x) any other expenditure directly or  
5 indirectly connected with an election or campaign for public  
6 office.

7                   (25) "Restricted class" means the group of individuals  
8 who:

9                   (A) for a corporation, are the stockholders,  
10 employees, and families of the stockholders and employees of the  
11 corporation or the corporation's subsidiaries, branches,  
12 divisions, affiliates, or departments;

13                   (B) for a labor organization, are the members,  
14 employees, and families of the members and employees of the labor  
15 organization; or

16                   (C) for a membership organization:  
17                   (i) are the members, employees, and  
18 families of employees of the organization; or

19                   (ii) with respect to a solicitation for a  
20 campaign contribution, are the stockholders, employees, and  
21 families of stockholders and employees of a corporate member of a  
22 membership organization that separately and specifically approves  
23 the solicitation and does not approve a solicitation by any other  
24 membership organization for the same calendar year.

25                   (26) "Executive or administrative personnel" means  
26 individuals employed by a corporation, labor organization, or  
27 membership organization who are paid on a salary or commission

basis and who have policymaking, managerial, professional, or  
supervisory responsibilities. The term includes officers,  
executives, managers of a plant, division, or section of the  
corporation or organization, lawyers, and engineers. The term does  
not include professionals who are represented by a labor  
organization, salaried foremen or supervisors having direct  
supervision over hourly employees, former or retired personnel who  
are not stockholders, or individuals who are not employees for the  
purpose of income withholding tax on employee wages under the  
Internal Revenue Code.

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

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

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

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

(B) refers to a clearly identified candidate;

(C) is publicly distributed:

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

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

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

1                   (E) is not:

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

9                   (ii) a communication to the restricted  
10 class of the person making the communication.

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

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

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

23                  (33) "Express advocacy" means a communication that  
24 refers to a clearly identified candidate and that expressly  
25 advocates for or against the candidate, regardless of the words  
26 contained in the communication. The term "express advocacy" does  
27 not include:

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

8           (B) a communication to the restricted class of  
9 the person making the communication.

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

12         Sec. 251.010. COORDINATED EXPENDITURES. An expenditure is  
13 coordinated with a candidate, officeholder, political party, or  
14 political committee if the expenditure is made:

15           (1) in cooperation, consultation, or concert with, at  
16 the request or suggestion of, or under an understanding with the  
17 candidate, officeholder, political party, or political committee  
18 or an agent acting on behalf of the candidate, officeholder, party,  
19 or committee;

20           (2) wholly or partly for the production,  
21 dissemination, distribution, or publication of political  
22 advertising or a campaign communication prepared by the candidate,  
23 officeholder, or political committee or an agent acting on behalf  
24 of the candidate, officeholder, or committee;

25           (3) by a person based on information that the  
26 candidate, officeholder, or political committee or an agent acting  
27 on behalf of the candidate, officeholder, or committee provides to

1 the person about a candidate's, officeholder's, or committee's  
2 plans, projects, or needs to the person making the expenditure with  
3 the intent that the expenditure be made;

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

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

16 (6) for fund-raising activities with or for the  
17 candidate, officeholder, or political committee or an agent acting  
18 on behalf of the candidate, officeholder, or committee, or for the  
19 solicitation or receipt of political contributions on behalf of the  
20 candidate, officeholder, or political committee or an agent acting  
21 on behalf of the candidate, officeholder, or committee; or

22 (7) for a communication that clearly identifies a  
23 candidate if the person making the expenditure informs the  
24 candidate, officeholder, or political committee or an agent acting  
25 on behalf of the candidate, officeholder, or committee about the  
26 communication's contents, intended audience, timing, location,  
27 mode, or frequency of dissemination, and the candidate,

1 officeholder, committee, or agent approves the communication.

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

4 (a) A person may not knowingly make, ~~[or]~~ authorize, or aid  
5 the making of a direct campaign expenditure.

6 SECTION 4. Section 253.061, Election Code, is amended to  
7 read as follows:

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

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

14 (2) the individual receives no reimbursement for the  
15 expenditures.

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

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

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

21 (a) Except as otherwise provided by law, an individual not  
22 acting in concert with another person may make one or more direct  
23 campaign expenditures in an election from the individual's own  
24 property that exceed \$1,000 [~~\$100~~] on any one or more candidates or  
25 measures if:

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

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

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

SUBCHAPTER D. CORPORATIONS, ~~[AND]~~ LABOR ORGANIZATIONS, AND  
MEMBERSHIP ORGANIZATIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 253.1001. EXPENDITURES FOR SEPARATE SEGREGATED FUND.

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

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

1       (c) A corporation or labor organization may make a political  
2 expenditure from its own treasury funds or property for  
3 establishment or administration expenses of one membership  
4 organization of which it is a member.

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

11       (e) A separate segregated fund shall be treated as a  
12 general-purpose committee and shall comply with the provisions of  
13 this title applicable to a general-purpose committee as if the  
14 separate segregated fund were a general-purpose committee.

15       Sec. 253.1002. SOLICITATION FOR SEPARATE SEGREGATED FUNDS.

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

20       (b) A connected organization may facilitate a political  
21 contribution from its restricted class under Subsection (a) by  
22 enabling a contribution to be made by a payroll deduction, checking  
23 a form to indicate a contribution is authorized, instituting a  
24 periodic payment plan, or enclosing a return envelope in a  
25 solicitation request. A connected organization may solicit a  
26 voluntary political contribution from its restricted class under  
27 Subsection (a) by mailings, oral requests, pamphlets, and other

1 means.

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

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

9 Sec. 253.101. UNLAWFUL CONTRIBUTION OR EXPENDITURE [~~BY~~  
10 ~~COMMITTEE~~].

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

14 (a) A person, including a connected [~~political committee~~  
15 ~~assisted by a corporation or labor~~] organization, [~~under Section~~  
16 ~~253.100~~] may not make a political contribution or political  
17 expenditure in whole or part from money that is known by the person  
18 or a member or officer of the person [~~political committee~~] to be  
19 dues, fees, or other money required as a condition of employment or  
20 promotion or condition of membership in a labor organization.

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

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

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

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

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

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

(b) A corporation or labor organization may not knowingly make a contribution authorized by Subsection (a) during a period beginning on the 60th day before the date of a general election for state and county officers or a primary election and continuing through the day of the election.

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

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

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

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

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

25 (4) the amount of each payment made during the  
26 reporting period from a political contribution if the payment is  
27 not a political expenditure, the full name and address of the person

1 to whom the payment is made, and the date and purpose of the  
2 payment;

3 (5) the total amount or a specific listing of the  
4 political contributions of [~~\$50 or~~] less than \$100 accepted and the  
5 total amount or a specific listing of the political expenditures of  
6 [~~\$50 or~~] less than \$100 made during the reporting period;

7 (6) the total amount of all political contributions  
8 accepted and the total amount of all political expenditures made  
9 during the reporting period;

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

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

23 SECTION 19. Section 254.151, Election Code, is amended to  
24 read as follows:

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

- 1           (1) the committee's full name and address;
- 2           (2) the full name, residence or business street  
3 address, and telephone number of the committee's campaign  
4 treasurer;
- 5           (3) the identity and date of the election for which the  
6 report is filed, if applicable;
- 7           (4) the name of each identified candidate or measure  
8 or classification by party of candidates supported or opposed by  
9 the committee, indicating whether the committee supports or opposes  
10 each listed candidate, measure, or classification by party of  
11 candidates;
- 12           (5) the name of each identified officeholder or  
13 classification by party of officeholders assisted by the committee;
- 14           (6) the principal occupation of each person from whom  
15 political contributions that in the aggregate equal or exceed \$100  
16 [~~\$50~~] are accepted during the reporting period;
- 17           (7) the amount of each political expenditure in the  
18 form of a political contribution made to a candidate, officeholder,  
19 or another political committee that is returned to the committee  
20 during the reporting period, the name of the person to whom the  
21 expenditure was originally made, and the date it is returned;
- 22           (8) on a separate page or pages of the report, the  
23 identification of any contribution from a corporation or labor  
24 organization made and accepted under Subchapter D, Chapter 253; and
- 25           (9) on a separate page or pages of the report, the  
26 identification of the name of the donor, the amount, and the date of  
27 any expenditure made by a corporation or labor organization to:

(A) establish or administer the political committee; or

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

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

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

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

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

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

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

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

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

1 county, as applicable.

2 SECTION 23. Section 257.002, Election Code, is amended to  
3 read as follows:

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

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

11 (2) to administer a primary election;

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

14 (4) for expenses related to redistricting.

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

23 SECTION 24. Section 257.003, Election Code, is amended by  
24 adding Subsection (e) to read as follows:

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

27 SECTION 25. Section 257.004, Election Code, is amended by

amending Subsection (a) and adding Subsection (c) to read as follows:

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

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

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

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

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

SECTION 28. The changes in law made by this Act apply only to a contribution or expenditure made on or after September 1, 2009. A contribution or expenditure made before September 1, 2009, is governed by the law in effect immediately before that date, and the

1 former law is continued in effect for that purpose.

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

6       SECTION 30. This Act takes effect September 1, 2009.