

By: Estes

S.B. No. 1224

A BILL TO BE ENTITLED

AN ACT

relating to contributions made and personal services rendered to public servants.

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

SECTION 1. Section 251.001, Election Code, is amended by amending Subdivision (2) 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 includes a loan or extension of credit, other than those expressly excluded by this subdivision, and a guarantee of a loan or extension of credit, including a loan described by this subdivision. The term does not include:

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

(B) an expenditure required to be reported under Section 305.006(b), Government Code ~~or~~; or

(C) an individual's personal service if the individual receives no compensation for the service.

SECTION 2. Section 253.159, Election Code, is amended to read as follows:

1 Sec. 253.159. EXCEPTION TO CONTRIBUTION LIMITS. Sections
2 253.155 and 253.157 do not apply to an individual who is related to
3 the candidate or officeholder within the second degree by affinity
4 or consanguinity, as determined under Subchapter B, Chapter 573,
5 Government Code.

6 SECTION 3. Section 253.162, Election Code, is amended by
7 amending Subsection (b) to read as follows:

8 (b) A judicial candidate or officeholder who accepts one or
9 more political contributions in the form of loans, including an
10 extension of credit or a guarantee of a loan or extension of credit,
11 from one or more persons related to the candidate or officeholder
12 within the second degree by affinity or consanguinity, as
13 determined under Subchapter B, Chapter 573, Government Code, may
14 not use political contributions to repay the loans.

15 SECTION 4. Section 254.031, Election Code, is amended by
16 amending Subsection (a) to read as follows:

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

19 (1) the amount of political contributions from each
20 person that in the aggregate exceed \$50 and that are accepted during
21 the reporting period by the person or committee required to file a
22 report under this chapter, the full name and address of the person
23 making the contributions, and the dates of the contributions;

24 (2) the amount of loans that are made during the
25 reporting period for campaign or officeholder purposes to the
26 person or committee required to file the report and that in the
27 aggregate exceed \$50, the dates the loans are made, the interest

1 rate, the maturity date, the type of collateral for the loans, if
2 any, the full name and address of the person or financial
3 institution making the loans, the full name and address, principal
4 occupation, and name of the employer of each guarantor of the loans,
5 the amount of the loans guaranteed by each guarantor, and the
6 aggregate principal amount of all outstanding loans as of the last
7 day of the reporting period;

8 (3) the amount of political expenditures that in the
9 aggregate exceed \$50 and that are made during the reporting period,
10 the full name and address of the persons to whom the expenditures
11 are made, and the dates and purposes of the expenditures;

12 (4) the amount of each payment made during the
13 reporting period from a political contribution if the payment is
14 not a political expenditure, the full name and address of the person
15 to whom the payment is made, and the date and purpose of the
16 payment;

17 (5) the total amount or a specific listing of the
18 political contributions of \$50 or less accepted and the total
19 amount or a specific listing of the political expenditures of \$50 or
20 less made during the reporting period;

21 (6) the total amount of all political contributions
22 accepted and the total amount of all political expenditures made
23 during the reporting period;

24 (7) the name of each candidate or officeholder who
25 benefits from a direct campaign expenditure made during the
26 reporting period by the person or committee required to file the
27 report, and the office sought or held, excluding a direct campaign

1 expenditure that is made by the principal political committee of a
2 political party on behalf of a slate of two or more nominees of that
3 party; ~~and~~

4 (8) as of the last day of a reporting period for which
5 the person is required to file a report, the total amount of
6 political contributions accepted, including interest or other
7 income on those contributions, maintained in one or more accounts
8 in which political contributions are deposited as of the last day of
9 the reporting period ~~and~~; and

10 (9) the amount of political contributions in the form
11 of cash and negotiable instruments that has not been deposited in an
12 account in which political contributions are deposited.

13 SECTION 5. Section 254.0611, Election Code, is amended by
14 amending Subsection (a) to read as follows:

15 (a) In addition to the contents required by Sections 254.031
16 and 254.061, each report by a candidate for a judicial office
17 covered by Subchapter F, Chapter 253, must include:

18 (1) the total amount of political contributions,
19 including interest or other income, maintained in one or more
20 accounts in which political contributions are deposited as of the
21 last day of the reporting period;

22 (2) for each individual from whom the person filing
23 the report has accepted political contributions that in the
24 aggregate exceed \$50 and that are accepted during the reporting
25 period:

26 (A) the principal occupation and job title of the
27 individual and the full name of the employer of the individual or of

1 the law firm of which the individual or the individual's spouse is a
2 member, if any; or

3 (B) if the individual is a child, the full name of
4 the law firm of which either of the individual's parents is a
5 member, if any;

6 (3) a specific listing of each asset valued at \$500 or
7 more that was purchased with political contributions and on hand as
8 of the last day of the reporting period;

9 (4) for each political contribution accepted by the
10 person filing the report but not received as of the last day of the
11 reporting period:

12 (A) the full name and address of the person
13 making the contribution;

14 (B) the amount of the contribution; and

15 (C) the date of the contribution; ~~and~~

16 (5) for each outstanding loan to the person filing the
17 report as of the last day of the reporting period:

18 (A) the full name and address of the person or
19 financial institution making the loan; and

20 (B) the full name and address of each guarantor
21 of the loan other than the candidate~~[-]~~; and

22 (6) the amount of political contributions in the form
23 of cash and negotiable instruments that has not been deposited in an
24 account in which political contributions are deposited.

25 SECTION 6. Section 36.10, Penal Code, is amended by
26 amending Subsection (a) to read as follows:

27 (a) Sections 36.08 (Gift to Public Servant) and 36.09

1 (Offering Gift to Public Servant) do not apply to:

2 (1) a fee prescribed by law to be received by a public
3 servant or any other benefit to which the public servant is lawfully
4 entitled or for which he gives legitimate consideration in a
5 capacity other than as a public servant;

6 (2) a gift or other benefit conferred on account of
7 kinship or a personal, professional, or business relationship
8 independent of the official status of the recipient; or

9 (3) a benefit to a public servant required to file a
10 statement under Chapter 572, Government Code, or a report under
11 Title 15, Election Code, that is derived from a function in honor or
12 appreciation of the recipient if:

13 (A) the benefit and the source of any benefit in
14 excess of \$50 is reported in the statement; and

15 (B) the benefit is used solely to defray the
16 expenses that accrue in the performance of duties or activities in
17 connection with the office which are nonreimbursable by the state
18 or political subdivision;

19 (4) a political contribution as defined by Title 15,
20 Election Code;

21 (5) a gift, award, or memento to a member of the
22 legislative or executive branch that is required to be reported
23 under Chapter 305, Government Code;

24 (6) an item with a value of less than \$50, excluding
25 cash or a negotiable instrument as described by Section 3.104,
26 Business & Commerce Code; [~~or~~]

27 (7) an item issued by a governmental entity that

1 allows the use of property or facilities owned, leased, or operated
2 by the governmental entity~~[-]~~; or

3 (8) an individual's personal service if the individual
4 receives no compensation for the service.

5 SECTION 7. Section 572.023, Government Code, is amended by
6 amending Subsection (a) to read as follows:

7 (b) The account of financial activity consists of:

8 (1) a list of all sources of occupational income,
9 identified by employer, or if self-employed, by the nature of the
10 occupation, including identification of a person or other
11 organization from which the individual or a business in which the
12 individual has a substantial interest received a fee as a retainer
13 for a claim on future services in case of need, as distinguished
14 from a fee for services on a matter specified at the time of
15 contracting for or receiving the fee, if professional or
16 occupational services are not actually performed during the
17 reporting period equal to or in excess of the amount of the
18 retainer, and the category of the amount of the fee;

19 (2) identification by name and the category of the
20 number of shares of stock of any business entity held or acquired,
21 and if sold, the category of the amount of net gain or loss realized
22 from the sale;

23 (3) a list of all bonds, notes, and other commercial
24 paper held or acquired, and if sold, the category of the amount of
25 net gain or loss realized from the sale;

26 (4) identification of each source and the category of
27 the amount of income in excess of \$500 derived from each source from

1 interest, dividends, royalties, and rents;

2 (5) identification of each guarantor of a loan and
3 identification of each person or financial institution to whom a
4 personal note or notes or lease agreement for a total financial
5 liability in excess of \$1,000 existed at any time during the year
6 and the category of the amount of the liability;

7 (6) identification by description of all beneficial
8 interests in real property and business entities held or acquired,
9 and if sold, the category of the amount of the net gain or loss
10 realized from the sale;

11 (7) identification of a person or other organization
12 from which the individual or the individual's spouse or dependent
13 children received a gift of anything of value in excess of \$250 and
14 a description of each gift, except:

15 (A) a gift received from an individual related to
16 the individual at any time within the second degree by
17 consanguinity or affinity, as determined under Subchapter B,
18 Chapter 573;

19 (B) a political contribution that was reported as
20 required by Chapter 254, Election Code; ~~and~~

21 (C) an expenditure required to be reported by a
22 person required to be registered under Chapter 305; and

23 (D) an individual's personal service if the
24 individual receives no compensation for the service;

25 (8) identification of the source and the category of
26 the amount of all income received as beneficiary of a trust, other
27 than a blind trust that complies with Subsection (c), and

1 identification of each trust asset, if known to the beneficiary,
2 from which income was received by the beneficiary in excess of \$500;

3 (9) identification by description and the category of
4 the amount of all assets and liabilities of a corporation, firm,
5 partnership, limited partnership, limited liability partnership,
6 professional corporation, professional association, joint venture,
7 or other business association in which 50 percent or more of the
8 outstanding ownership was held, acquired, or sold;

9 (10) a list of all boards of directors of which the
10 individual is a member and executive positions that the individual
11 holds in corporations, firms, partnerships, limited partnerships,
12 limited liability partnerships, professional corporations,
13 professional associations, joint ventures, or other business
14 associations or proprietorships, stating the name of each
15 corporation, firm, partnership, limited partnership, limited
16 liability partnership, professional corporation, professional
17 association, joint venture, or other business association or
18 proprietorship and the position held;

19 (11) identification of any person providing
20 transportation, meals, or lodging expenses permitted under Section
21 36.07(b), Penal Code, and the amount of those expenses, other than
22 expenditures required to be reported under Chapter 305;

23 (12) any corporation, firm, partnership, limited
24 partnership, limited liability partnership, professional
25 corporation, professional association, joint venture, or other
26 business association, excluding a publicly held corporation, in
27 which both the individual and a person registered under Chapter 305

1 have an interest;

2 (13) identification by name and the category of the
3 number of shares of any mutual fund held or acquired, and if sold,
4 the category of the amount of net gain or loss realized from the
5 sale; and

6 (14) identification of each blind trust that complies
7 with Subsection (c), including:

8 (A) the category of the fair market value of the
9 trust;

10 (B) the date the trust was created;

11 (C) the name and address of the trustee; and

12 (D) a statement signed by the trustee, under
13 penalty of perjury, stating that:

14 (i) the trustee has not revealed any
15 information to the individual, except information that may be
16 disclosed under Subdivision (8); and

17 (ii) to the best of the trustee's knowledge,
18 the trust complies with this section.

19 SECTION 8. This Act takes effect immediately if it receives
20 a vote of two-thirds of all the members elected to each house, as
21 provided by Section 39, Article III, Texas Constitution. If this
22 Act does not receive the vote necessary for immediate effect, this
23 Act takes effect September 1, 2011.