

By: Villalba

H.B. No. 3258

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 (8), (12), and (16) and adding Subdivisions
(21), (22), (23), (24), and (25) to read as follows:

(8) "Independent [~~Direct campaign~~] expenditure" means
a campaign expenditure by a person for a communication expressly
advocating the election or defeat of a clearly identified candidate
that is not made in cooperation or consultation, or at the request
or suggestion of, a candidate, a candidate's campaign committee,
the agent of a candidate or candidate's campaign committee, a
political party committee, or the agent of a political party. An
independent expenditure [~~that~~] does not constitute a campaign
contribution by the person making the expenditure.

(12) "Political committee" means any committee, club,
association, or other combination of two or more persons, the major
purpose of which is to support or oppose one or more ballot
measures, candidates, or political parties through [~~a group of
persons that has as a principal purpose accepting~~] political
contributions or [~~making~~] political expenditures. A major purpose
includes:

(A) a committee, club, association, or other

1 combination of two or more persons designating itself as a
2 political organization in its filings with the Internal Revenue
3 Service or specifically identifying support or opposition to one or
4 more ballot measures, candidates, or political parties as its
5 primary objective in its organizing document, fund-raising
6 appeals, or public statements; or

7 (B) the making of a political expenditure to
8 support or oppose ballot measures, candidates, and political
9 parties constituting a majority of its total spending during any
10 election cycle.

11 (16) "Political advertising" means a communication
12 expressly advocating the election or defeat of a clearly identified
13 candidate or expressly advocating support for or opposition to a
14 measure by means of a broadcast, cable, or satellite communication,
15 newspaper, magazine, outdoor advertising facility, electronic
16 communication, mailing, telephone bank to the general public, text
17 message, or any other form of general public political advertising.

18 Political advertising does not include:

19 (A) Internet communications, except for
20 communications placed for a fee on another person's website; or

21 (B) electronic communications or text messages
22 of an identical or substantially similar nature sent to fewer than
23 25 recipients within any 30-day period [~~supporting or opposing a~~
24 ~~candidate for nomination or election to a public office or office of~~
25 ~~a political party, a political party, a public officer, or a measure~~
26 ~~that:~~

27 [~~(A) in return for consideration, is published in~~

1 ~~a newspaper, magazine, or other periodical or is broadcast by radio~~
2 ~~or television; or~~

3 [~~(B) appears:~~

4 [~~(i) in a pamphlet, circular, flier,~~
5 ~~billboard or other sign, bumper sticker, or similar form of written~~
6 ~~communication; or~~

7 [~~(ii) on an Internet website].~~

8 (21) "Clearly identified candidate" means the
9 candidate's name, nickname, photograph, or drawing appears, or the
10 identity of the candidate is otherwise apparent through an
11 unambiguous reference, including a reference to the candidate's
12 status as a candidate.

13 (22) "Coordinated" means in cooperation or
14 consultation, or at the request or suggestion of, a candidate, a
15 candidate's campaign committee, the agent of the candidate or
16 candidate's campaign committee, a political party committee, or the
17 agent of a political party committee.

18 (23) "Coordinated expenditure" means an expenditure
19 by a person for a communication expressly advocating the election
20 or defeat of a clearly identified candidate that is coordinated
21 with a candidate, a candidate's campaign committee, the agent of
22 the candidate or candidate's campaign committee, a political party
23 committee, or the agent of a political party committee.

24 (24) "Election cycle" means the two-year period
25 beginning January 1 of an odd-numbered year and ending on December
26 31 of the subsequent even-numbered year.

27 (25) "Express advocacy" means any communication that

1 in context can have no other reasonable meaning than to urge the
2 election or defeat of one or more clearly identified candidates or
3 to urge support for or opposition to a measure.

4 SECTION 2. Section 251.004(a), Election Code, is amended to
5 read as follows:

6 (a) Venue for a criminal offense prescribed by this title is
7 in the county of residence of the defendant, unless the defendant is
8 not a Texas resident, in which case venue is in Travis County. The
9 residence of a person other than an individual is the county in
10 which the defendant's principal place of business is located.

11 SECTION 3. Section 252.001, Election Code, is amended to
12 read as follows:

13 Sec. 252.001. APPOINTMENT OF CAMPAIGN TREASURER REQUIRED.
14 Each candidate and each political committee shall appoint a
15 campaign treasurer as provided by this chapter. An individual
16 shall file a campaign treasurer appointment not later than the 10th
17 day after the date the individual becomes a candidate. A political
18 committee shall file a campaign treasurer appointment not later
19 than the 10th day after the date the committee accepts campaign
20 contributions in excess of \$500 or makes or authorizes campaign
21 expenditures in excess of \$500. Notwithstanding this section, an
22 unregistered political committee shall file a campaign treasurer
23 appointment not later than 24 hours after making or authorizing a
24 campaign expenditure that requires the committee to file a special
25 report as required by Section 254.039.

26 SECTION 4. Sections 252.003(a) and (d), Election Code, are
27 amended to read as follows:

1 (a) In addition to the information required by Section
2 252.002, a campaign treasurer appointment by a general-purpose
3 committee must include:

4 (1) the full name, and any acronym of the name that
5 will be used in the name of the committee as provided by Subsection
6 (d), of each corporation, labor organization, association, limited
7 liability company, limited liability partnership, or partnership
8 [~~or other association or legal entity~~] that directly establishes,
9 administers, or controls the committee, if applicable, or the name
10 of each person who determines to whom the committee makes
11 contributions or the name of each person who determines for what
12 purposes the committee makes expenditures;

13 (2) the full name and address of each general-purpose
14 committee to whom the committee intends to make political
15 contributions; and

16 (3) the name of the committee and, if the name is an
17 acronym, the words the acronym represents.

18 (d) The name of a general-purpose committee must include the
19 name of each corporation, labor organization, association, limited
20 liability company, limited liability partnership, or partnership
21 [~~or other association or legal entity other than an individual~~]
22 that directly establishes, administers, or controls the committee.
23 The name of an entity that is required to be included in the name of
24 the committee may be a commonly recognized acronym by which the
25 entity is known.

26 SECTION 5. Section 253.031, Election Code, is amended by
27 amending Subsections (a) and (b) and adding Subsection (c-1) to

1 read as follows:

2 (a) Once a candidate has filed a campaign treasurer
3 appointment, the [A] candidate may not knowingly accept a campaign
4 contribution or make or authorize a campaign expenditure at a time
5 when a campaign treasurer appointment for the candidate is not in
6 effect.

7 (b) Once a [A] political committee has filed a campaign
8 treasurer appointment, the political committee may not knowingly
9 accept a political contribution [~~contributions totaling more than~~
10 ~~\$500~~] or make or authorize a political expenditure [~~expenditures~~
11 ~~totaling more than \$500~~] at a time when a campaign treasurer
12 appointment for the committee is not in effect.

13 (c-1) Subsection (c) does not apply to a general-purpose
14 committee that, after knowingly making or authorizing a political
15 contribution or political expenditure, files a special report in
16 accordance with Section 254.039.

17 SECTION 6. Section 253.037, Election Code, is amended by
18 adding Subsection (a-1) to read as follows:

19 (a-1) Subsection (a) does not apply to a general-purpose
20 committee that, after knowingly making or authorizing a political
21 contribution or political expenditure, files a special report in
22 accordance with Section 254.039.

23 SECTION 7. Section 253.091, Election Code, is amended to
24 read as follows:

25 Sec. 253.091. CORPORATIONS AND OTHER ENTITIES COVERED.
26 This subchapter applies only to corporations that are governed
27 under Title 2, Business Organizations Code, entities that can be

1 characterized as corporations organized under federal law or the
2 law of another state, and associations, limited liability
3 companies, limited liability partnerships, and partnerships
4 ~~[organized under the Texas Business Corporation Act, the Texas~~
5 ~~For-Profit Corporation Law, the Texas Non-Profit Corporation Act,~~
6 ~~the Texas Nonprofit Corporation Law, federal law, or law of another~~
7 ~~state or nation].~~

8 SECTION 8. Sections 253.100(a), (b), and (d), Election
9 Code, are amended to read as follows:

10 (a) A corporation, association, limited liability company,
11 limited liability partnership, or partnership ~~[acting alone or with~~
12 ~~one or more other corporations,~~] may make one or more political
13 expenditures to finance the establishment or administration of a
14 general-purpose committee. In addition to any other expenditure
15 that is considered permissible under this section, a corporation,
16 association, limited liability company, limited liability
17 partnership, or partnership may make an expenditure for the
18 maintenance and operation of a general-purpose committee that it
19 establishes or administers, including an expenditure for:

- 20 (1) office space maintenance and repairs;
21 (2) telephone and Internet services;
22 (3) office equipment;
23 (4) utilities;
24 (5) general office and meeting supplies;
25 (6) salaries for routine clerical, data entry, and
26 administrative assistance necessary for the proper administrative
27 operation of the committee;

1 (7) legal and accounting fees for the committee's
2 compliance with this title;

3 (8) routine administrative expenses incurred in
4 establishing and administering a general-purpose political
5 committee;

6 (9) management and supervision of the committee,
7 including expenses incurred in holding meetings of the committee's
8 governing body to interview candidates and make endorsements
9 relating to the committee's support;

10 (10) the recording of committee decisions;

11 (11) expenses incurred in hosting candidate forums in
12 which all candidates for a particular office in an election are
13 invited to participate on the same terms; or

14 (12) expenses incurred in preparing and delivering
15 committee contributions.

16 (b) A corporation, association, limited liability company,
17 limited liability partnership, or partnership may make political
18 expenditures to finance the solicitation of political
19 contributions to a general-purpose committee assisted under
20 Subsection (a) from its ~~[the]~~ stockholders, employees, or families
21 of stockholders or employees ~~[of one or more corporations]~~.

22 (d) A corporation, ~~[or]~~ labor organization, association,
23 limited liability company, limited liability partnership, or
24 partnership may not make expenditures under this section for:

25 (1) political consulting to support or oppose a
26 candidate;

27 (2) telephoning or telephone banks to communicate with

1 the public;

2 (3) brochures and direct mail supporting or opposing a
3 candidate;

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

6 (5) political fund-raising other than from its
7 stockholders or members, as applicable, or the families of its
8 stockholders or members;

9 (6) voter identification efforts, voter lists, or
10 voter databases that include persons other than its stockholders or
11 members, as applicable, or the families of its stockholders or
12 members;

13 (7) polling designed to support or oppose a candidate
14 other than of its stockholders or members, as applicable, or the
15 families of its stockholders or members; or

16 (8) recruiting candidates.

17 SECTION 9. Section 253.132(a), Election Code, is amended to
18 read as follows:

19 (a) A corporation or labor organization that knowingly
20 makes a campaign contribution to a political committee or an
21 independent [~~a direct campaign~~] expenditure in violation of
22 Subchapter D is liable for damages as provided by this section to
23 each political committee of opposing interest in the election in
24 connection with which the contribution or expenditure is made.

25 SECTION 10. Section 253.157(e)(1), Election Code, is
26 amended to read as follows:

27 (1) "Law firm" means a partnership, limited liability

1 partnership, limited liability company, professional limited
2 liability company, or professional corporation organized for the
3 practice of law.

4 SECTION 11. The heading to Section 253.171, Election Code,
5 is amended to read as follows:

6 Sec. 253.171. CONTRIBUTION FROM OR INDEPENDENT [~~DIRECT~~
7 ~~CAMPAIGN~~] EXPENDITURE BY POLITICAL PARTY.

8 SECTION 12. Section 253.171(a), Election Code, is amended
9 to read as follows:

10 (a) Except as provided by Subsection (b), a political
11 contribution to or an independent [~~a direct campaign~~] expenditure
12 on behalf of a complying candidate that is made by the principal
13 political committee of the state executive committee or a county
14 executive committee of a political party is considered to be a
15 political expenditure by the candidate for purposes of the
16 expenditure limits prescribed by Section 253.168.

17 SECTION 13. Sections 254.031(a) and (a-1), Election Code,
18 are amended to read as follows:

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

21 (1) the amount of cash on hand at the beginning of the
22 reporting period;

23 (2) for the reporting period, the total amount of all
24 receipts actually received by the candidate, officeholder, or
25 political committee, and the total amount of all receipts actually
26 received by the candidate, officeholder, or political committee in
27 the following categories:

- 1 (A) contributions from persons;
2 (B) for a candidate, officeholder, or
3 specific-purpose committee supporting a candidate or assisting an
4 officeholder, loans made by or guaranteed by the candidate or
5 officeholder;
6 (C) all other loans;
7 (D) rebates, refunds, and other offsets to
8 operating expenditures; and
9 (E) dividends, interest, and other forms of
10 receipts;
11 (3) the identification of each:
12 (A) individual who makes a contribution to the
13 candidate, officeholder, or political committee during the
14 reporting period, whose contributions have an aggregate amount or
15 value in excess of \$50 within the reporting period, or in any lesser
16 amount if the candidate, officeholder, or political committee
17 elects, together with the date and amount of the contribution;
18 (B) person, other than an individual, who makes a
19 contribution to the candidate, officeholder, or political
20 committee during the reporting period, together with the date and
21 amount of any contribution;
22 (C) person who makes a loan to the candidate,
23 officeholder, or political committee during the reporting period,
24 together with the identification of any endorser or guarantor of a
25 loan, and the date and amount of value of the loan;
26 (D) person who provides a rebate, refund, or
27 other offset to operating expenditures to the candidate,

1 officeholder, or political committee in an aggregate amount or
2 value in excess of \$50 within the reporting period, together with
3 the date and amount of the offset; and

4 (E) person who provides any dividend, interest,
5 or other receipt to the candidate, officeholder, or political
6 committee in an aggregate value or amount in excess of \$50 within
7 the reporting period, together with the date and amount of the
8 receipt;

9 (4) for the reporting period, the total amount of all
10 disbursements actually made by the candidate, officeholder, or
11 political committee, and all disbursements actually made by the
12 candidate, officeholder, or political committee in the following
13 categories:

14 (A) expenditures made to meet the candidate's,
15 officeholder's, or political committee's operating expenses;

16 (B) for a candidate, officeholder, or
17 specific-purpose committee supporting a candidate or assisting an
18 officeholder, the repayment of loans made by or guaranteed by the
19 candidate or officeholder;

20 (C) repayment of all other loans;

21 (D) contribution refunds and other offsets to
22 contributions;

23 (E) contributions made by the candidate,
24 officeholder, or political committee;

25 (F) loans made by the candidate, officeholder, or
26 political committee;

27 (G) independent expenditures made by the

1 candidate, officeholder, or political committee; and

2 (H) any other disbursements;

3 (5) the name and address of each:

4 (A) person to whom a disbursement in an aggregate
5 amount or value in excess of \$50 within the reporting period is made
6 by the candidate, officeholder, or political committee, together
7 with the date, amount, and purpose of the disbursement;

8 (B) person who receives any disbursement during
9 the reporting period in an aggregate amount or value in excess of
10 \$50 in connection with an independent expenditure by the candidate,
11 officeholder, or political committee, together with the date,
12 amount, and purpose of the independent expenditure, and a statement
13 that indicates whether the independent expenditure is in support
14 of, or in opposition to, a candidate, as well as the name of and
15 office sought by the candidate;

16 (C) person who has received a loan from the
17 candidate, officeholder, or political committee during the
18 reporting period, together with the date and amount of the loan;

19 (D) person who receives a loan repayment from the
20 candidate, officeholder, or political committee during the
21 reporting period, together with the date and amount of the loan
22 repayment; and

23 (E) person who receives a contribution refund or
24 other offset to contributions from the candidate, officeholder, or
25 political committee in which the contribution was reported under
26 Subdivision (3)(A), together with the date and amount of the
27 offset;

1 (6) the amount and nature of outstanding debts and
2 obligations owed by or to a candidate, officeholder, or political
3 committee, the date incurred, and if the debts and obligations are
4 settled for less than the reported amount or value, a statement as
5 to the circumstances and conditions under which the debts or
6 obligations were settled and the consideration for that settlement;

7 (7) the amount of reported cash on hand at the end of
8 the reporting period, as calculated by adding the reported cash on
9 hand at the beginning of the reporting period with total receipts
10 and offsets to disbursements, less disbursements and offsets to
11 receipts during the reporting period; and

12 (8) the amount of funds and assets in the candidate's,
13 officeholder's, or political committee's bank depositories at the
14 end of the reporting period [~~political contributions from each~~
15 ~~person that in the aggregate exceed \$50 and that are accepted during~~
16 ~~the reporting period by the person or committee required to file a~~
17 ~~report under this chapter, the full name and address of the person~~
18 ~~making the contributions, and the dates of the contributions;~~

19 ~~[(2) the amount of loans that are made during the~~
20 ~~reporting period for campaign or officeholder purposes to the~~
21 ~~person or committee required to file the report and that in the~~
22 ~~aggregate exceed \$50, the dates the loans are made, the interest~~
23 ~~rate, the maturity date, the type of collateral for the loans, if~~
24 ~~any, the full name and address of the person or financial~~
25 ~~institution making the loans, the full name and address, principal~~
26 ~~occupation, and name of the employer of each guarantor of the loans,~~
27 ~~the amount of the loans guaranteed by each guarantor, and the~~

1 ~~aggregate principal amount of all outstanding loans as of the last~~
2 ~~day of the reporting period;~~

3 ~~[(3) the amount of political expenditures that in the~~
4 ~~aggregate exceed \$100 and that are made during the reporting~~
5 ~~period, the full name and address of the persons to whom the~~
6 ~~expenditures are made, and the dates and purposes of the~~
7 ~~expenditures;~~

8 ~~[(4) the amount of each payment made during the~~
9 ~~reporting period from a political contribution if the payment is~~
10 ~~not a political expenditure, the full name and address of the person~~
11 ~~to whom the payment is made, and the date and purpose of the~~
12 ~~payment;~~

13 ~~[(5) the total amount or a specific listing of the~~
14 ~~political contributions of \$50 or less accepted and the total~~
15 ~~amount or a specific listing of the political expenditures of \$100~~
16 ~~or less made during the reporting period;~~

17 ~~[(6) the total amount of all political contributions~~
18 ~~accepted and the total amount of all political expenditures made~~
19 ~~during the reporting period;~~

20 ~~[(7) the name of each candidate or officeholder who~~
21 ~~benefits from a direct campaign expenditure made during the~~
22 ~~reporting period by the person or committee required to file the~~
23 ~~report, and the office sought or held, excluding a direct campaign~~
24 ~~expenditure that is made by the principal political committee of a~~
25 ~~political party on behalf of a slate of two or more nominees of that~~
26 ~~party;~~

27 ~~[(8) as of the last day of a reporting period for which~~

1 ~~the person is required to file a report, the total amount of~~
2 ~~political contributions accepted, including interest or other~~
3 ~~income on those contributions, maintained in one or more accounts~~
4 ~~in which political contributions are deposited as of the last day of~~
5 ~~the reporting period;~~

6 ~~[(9) any credit, interest, rebate, refund,~~
7 ~~reimbursement, or return of a deposit fee resulting from the use of~~
8 ~~a political contribution or an asset purchased with a political~~
9 ~~contribution that is received during the reporting period and the~~
10 ~~amount of which exceeds \$100;~~

11 ~~[(10) any proceeds of the sale of an asset purchased~~
12 ~~with a political contribution that is received during the reporting~~
13 ~~period and the amount of which exceeds \$100;~~

14 ~~[(11) any investment purchased with a political~~
15 ~~contribution that is received during the reporting period and the~~
16 ~~amount of which exceeds \$100;~~

17 ~~[(12) any other gain from a political contribution~~
18 ~~that is received during the reporting period and the amount of which~~
19 ~~exceeds \$100; and~~

20 ~~[(13) the full name and address of each person from~~
21 ~~whom an amount described by Subdivision (9), (10), (11), or (12) is~~
22 ~~received, the date the amount is received, and the purpose for which~~
23 ~~the amount is received].~~

24 (a-1) A de minimis error in calculating or reporting a cash
25 balance or bank depository balance under Subsection (a)(1), (7), or
26 (8) ~~[(a)(8)]~~ is not a violation of this section.

27 SECTION 14. The heading to Section 254.034, Election Code,

1 is amended to read as follows:

2 Sec. 254.034. TIME OF RECEIVING [~~ACCEPTING~~] CONTRIBUTION.

3 SECTION 15. Section 254.034, Election Code, is amended by
4 adding Subsection (a-1) to read as follows:

5 (a-1) For any political contribution that is received and
6 accepted by a candidate, officeholder, or political committee, the
7 date the political contribution was received is the date the
8 contributor relinquished control of the contribution, if the date
9 is readily determinable. If the candidate, officeholder, or
10 political committee is unable to readily determine the date the
11 contributor relinquished control of the contribution, the date the
12 political contribution was received is the date the contribution is
13 actually received by the candidate, officeholder, or political
14 committee.

15 SECTION 16. The heading to Section 254.035, Election Code,
16 is amended to read as follows:

17 Sec. 254.035. TIME OF MAKING EXPENDITURE OR INCURRING DEBT
18 OR OBLIGATION.

19 SECTION 17. Section 254.035, Election Code, is amended by
20 amending Subsections (a) and (b) and adding Subsection (a-1) to
21 read as follows:

22 (a) For purposes of reporting under this chapter, a
23 political expenditure is not considered to have been made until the
24 candidate, officeholder, or political committee relinquishes
25 control of the funds [~~amount is readily determinable by the person~~
26 ~~making the expenditure, except as provided by Subsection (b)].~~

27 (a-1) For purposes of reporting under this chapter, a debt

1 or obligation is not considered to be owed until the amount is
2 readily determinable by the person that owes the debt or
3 obligation.

4 (b) If the character of a debt or obligation [~~an~~
5 ~~expenditure~~] is such that under normal business practice the amount
6 is not disclosed until receipt of a periodic bill, the debt or
7 obligation [~~expenditure~~] is not considered owed [~~made~~] until the
8 date the bill is received.

9 SECTION 18. Section 254.038(c), Election Code, is amended
10 to read as follows:

11 (c) A report under this section shall be filed
12 electronically, by telegram or telephonic facsimile machine, or by
13 hand, in the form required by Section 254.036. The commission must
14 receive a report under this section filed by telegram, telephonic
15 facsimile machine, or hand not later than 5 p.m. of the first
16 business day after the date the contribution is received
17 [~~accepted~~]. The commission must receive a report under this
18 section filed electronically not later than midnight of the first
19 business day after the date the contribution is received
20 [~~accepted~~]. A report under this section is not required to be
21 accompanied by the affidavit required under Section 254.036(h) or
22 to be submitted on a form prescribed by the commission. A report
23 under this section that complies with Section 254.036(a) must be
24 accompanied by an affidavit under Section 254.036(c)(1) unless the
25 candidate or committee has submitted an affidavit under Section
26 254.036(c)(1) with another report filed in connection with the
27 election for which a report is required under this section.

1 SECTION 19. The heading to Subchapter J, Chapter 254,
2 Election Code, is amended to read as follows:

3 SUBCHAPTER J. REPORTING BY CERTAIN PERSONS MAKING INDEPENDENT
4 [~~DIRECT CAMPAIGN~~] EXPENDITURES

5 SECTION 20. The heading to Section 254.261, Election Code,
6 is amended to read as follows:

7 Sec. 254.261. INDEPENDENT [~~DIRECT CAMPAIGN~~] EXPENDITURE
8 EXCEEDING \$100.

9 SECTION 21. Section 254.261, Election Code, is amended by
10 amending Subsection (a) and adding Subsections (e) and (f) to read
11 as follows:

12 (a) A person [~~not acting in concert with another person~~] who
13 makes one or more independent [~~direct campaign~~] expenditures in an
14 election from the person's own property shall comply with this
15 chapter as if the person were the campaign treasurer of a
16 general-purpose committee that does not file monthly reports under
17 Section 254.155.

18 (e) When evaluating a political expenditure to determine
19 whether the expenditure constitutes an independent expenditure or a
20 coordinated expenditure, there is a rebuttable presumption that a
21 political expenditure for political advertising is a coordinated
22 expenditure if:

23 (1) the political expenditure is made by a person in
24 cooperation or consultation with, at the request, suggestion, or
25 direction of, or pursuant to a general or particular understanding
26 with:

27 (A) a candidate or political party committee; or

1 (B) a consultant or other agent acting on behalf
2 of a candidate or political party committee;

3 (2) the political expenditure is made by a person for
4 the production, dissemination, distribution, or publication, in
5 whole or in substantial part, of any political advertising prepared
6 by:

7 (A) a candidate or political party committee; or

8 (B) a consultant or other agency acting on behalf
9 of a candidate or political party committee;

10 (3) the political expenditure is made by a person
11 based on nonpublic information about a candidate's or political
12 party committee's plans, projects, or needs that has been provided
13 by:

14 (A) a candidate or political party committee; or

15 (B) a consultant or other agent acting on behalf
16 of a candidate or political party committee, with the intent that
17 the expenditure be made;

18 (4) the political expenditure is made by, or at the
19 direction or advice of, an individual or vendor who, in the same
20 election cycle, is providing services or has provided services to
21 the candidate benefiting from the expenditure or a state or local
22 political party committee in the state in the following capacities:

23 (A) development of strategic content of
24 political advertising and media strategy, including the selection
25 or purchasing of advertising slots;

26 (B) selection of audiences;

27 (C) polling;

1 (D) fund-raising;

2 (E) producing a public communication;

3 (F) identifying voters or developing voter
4 lists, mailing lists, or donor lists; or

5 (G) selecting personnel, contractors, or
6 subcontractors;

7 (5) the political expenditure is made by a person
8 based on nonpublic information about a candidate's campaign plans,
9 projects, or needs that was directly or indirectly provided by a
10 candidate or political party committee, or a consultant or other
11 agent acting on behalf of the candidate or political party
12 committee, to the person making the expenditure or the person's
13 agent, with an express or tacit understanding that the person is
14 considering making the expenditure; or

15 (6) the person making the political expenditure
16 provides nonpublic information to the candidate who benefits from
17 the expenditure or political party committee regarding the
18 contents, timing, intended audience, location, or frequency of
19 dissemination of the political advertising.

20 (f) A communication disseminated to the public in which a
21 candidate or officeholder is clearly identified only in the
22 candidate's or officeholder's capacity as the owner or operator of a
23 business is not a coordinated communication with respect to the
24 clearly identified candidate if:

25 (1) the medium, timing, content, and geographic
26 distribution of the communication are consistent with similar
27 communications made before the candidacy or consistent with

1 communications made by similar businesses; and

2 (2) the communication does not promote, support,
3 attack, or oppose the candidate or another candidate who seeks the
4 same office as the candidate.

5 SECTION 22. Section 254.262, Election Code, is amended to
6 read as follows:

7 Sec. 254.262. TRAVEL EXPENSE. An independent [~~A direct~~
8 ~~campaign~~] expenditure consisting of personal travel expenses
9 incurred by a person may be made without complying with Section
10 254.261.

11 SECTION 23. Sections 252.0011 and 254.035(c) and (d),
12 Election Code, are repealed.

13 SECTION 24. (a) The changes in law made by this Act apply
14 only to a political contribution or political expenditure made on
15 or after September 1, 2013. A political contribution or political
16 expenditure made before September 1, 2013, is governed by the law in
17 effect immediately before that date, and the former law is
18 continued in effect for that purpose.

19 (b) Section 254.031, Election Code, as amended by this Act,
20 applies only to a report under Chapter 254, Election Code, that
21 covers a reporting period that begins on or after January 1, 2014. A
22 report under Chapter 254, Election Code, that covers a reporting
23 period that begins before January 1, 2014, is governed by Section
24 254.031, Election Code, as it existed before amendment by this Act,
25 and the former law is continued in effect for that purpose.

26 (c) The change in law made by this Act applies only to an
27 offense committed on or after September 1, 2013. For purposes of

1 this section, an offense is committed before September 1, 2013, if
2 any element of the offense occurs before that date.

3 (d) An offense committed before September 1, 2013, is
4 covered by the law in effect when the offense was committed, and the
5 former law is continued in effect for that purpose.

6 SECTION 25. This Act takes effect September 1, 2013.