

By: Davis of Harris

H.B. No. 24

A BILL TO BE ENTITLED

AN ACT

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

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

SECTION 1. Section 251.005(d), Election Code, is amended to  
read as follows:

(d) An out-of-state political committee that does not file a  
campaign treasurer appointment shall comply with Sections  
~~[Section]~~ 254.1581, 254.161, and 254.261.

SECTION 2. Section 253.031, Election Code, is amended by  
amending Subsection (b) and adding Subsection (b-1) to read as  
follows:

(b) A general-purpose ~~[political]~~ committee may not  
knowingly accept political contributions totaling more than \$3,000  
~~[\$500]~~ or make or authorize political expenditures totaling more  
than \$3,000 in a calendar year ~~[\$500]~~ at a time when a campaign  
treasurer appointment for the committee is not in effect.

(b-1) A specific-purpose committee may not knowingly accept  
political contributions totaling more than \$1,000 or make or  
authorize political expenditures totaling more than \$1,000 in a  
calendar year at a time when a campaign treasurer appointment for  
the committee is not in effect.

SECTION 3. The heading to Section 253.037, Election Code,  
is amended to read as follows:

1           Sec. 253.037. RESTRICTION [~~RESTRICTIONS~~] ON CONTRIBUTION  
2 [~~OR EXPENDITURE~~] BY GENERAL-PURPOSE COMMITTEE.

3           SECTION 4. Section 253.040, Election Code, is amended to  
4 read as follows:

5           Sec. 253.040. SEPARATE ACCOUNTS FOR CANDIDATES AND  
6 OFFICEHOLDERS. (a) Except as provided by Subsection (b) or  
7 Section 253.0351(c), each candidate or officeholder shall deposit  
8 all of [~~keep~~] the person's campaign and officeholder contributions  
9 in one or more accounts that are separate from any other account  
10 maintained by the person, not later than the fifth day after the  
11 date the candidate or officeholder accepts the contribution.

12           (b) A candidate or officeholder who does not accept  
13 political contributions that in the aggregate exceed \$3,000 in a  
14 calendar year is not required to deposit political contributions in  
15 a separate account. Once the \$3,000 threshold is exceeded, the  
16 candidate or officeholder is required to comply with Subsection (a)  
17 until all of the political contributions are expended.

18           (c) A person who violates this section commits an offense.  
19 An offense under this section is a Class B misdemeanor.

20           SECTION 5. Subchapter B, Chapter 253, Election Code, is  
21 amended by adding Section 253.0401 to read as follows:

22           Sec. 253.0401. SEPARATE ACCOUNTS FOR POLITICAL COMMITTEES.  
23 (a) Except as provided by Subsection (b), a political committee  
24 shall deposit all of the committee's political contributions in one  
25 or more accounts that are separate from any other account  
26 maintained by the political committee, not later than the fifth day  
27 after the date the committee accepts the contribution.

1        (b) A political committee that does not accept political  
2 contributions that in the aggregate exceed \$3,000 in a calendar  
3 year is not required to deposit political contributions in a  
4 separate account. Once the \$3,000 threshold is exceeded, the  
5 committee is required to comply with Subsection (a) until all of the  
6 political contributions are expended.

7        (c) A person who violates this section commits an offense.  
8 An offense under this section is a Class B misdemeanor.

9        SECTION 6. Subchapter D, Chapter 253, Election Code, is  
10 amended by adding Section 253.105 to read as follows:

11        Sec. 253.105. CONTRIBUTIONS TO DIRECT EXPENDITURE ONLY  
12 COMMITTEES. A corporation or labor organization may make a  
13 political contribution from its own property to a political  
14 committee that:

15                (1) makes direct campaign expenditures;

16                (2) does not make or intend to make political  
17 contributions; and

18                (3) has filed an affidavit with the commission stating  
19 the committee's intention to operate as described by Subdivisions  
20 (1) and (2).

21        SECTION 7. Section 254.001(d), Election Code, is amended to  
22 read as follows:

23        (d) A person required to maintain a record under this  
24 section shall preserve the record for at least four [~~two~~] years  
25 beginning on the filing deadline for the report containing the  
26 information in the record.

27        SECTION 8. Section 254.031(a), Election Code, is amended to

1 read as follows:

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

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

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

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

26 (4) the amount of each payment made during the  
27 reporting period from a political contribution if the payment is

1 not a political expenditure, the full name and address of the person  
2 to whom the payment is made, and the date and purpose of the  
3 payment;

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

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

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

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

24 (9) any credit, interest, rebate, refund,  
25 reimbursement, or return of a deposit fee resulting from the use of  
26 a political contribution or an asset purchased with a political  
27 contribution that is received during the reporting period and the

1 amount of which exceeds \$100;

2 (10) any proceeds of the sale of an asset purchased  
3 with a political contribution that is received during the reporting  
4 period and the amount of which exceeds \$100;

5 (11) any investment purchased with a political  
6 contribution that is received during the reporting period and the  
7 amount of which exceeds \$100;

8 (12) any other gain from a political contribution that  
9 is received during the reporting period and the amount of which  
10 exceeds \$100; and

11 (13) the full name and address of each person from whom  
12 an amount described by Subdivision (9), (10), (11), or (12) is  
13 received, the date the amount is received, and the purpose for which  
14 the amount is received.

15 SECTION 9. Section [254.0311\(b\)](#), Election Code, is amended  
16 to read as follows:

17 (b) A report filed under this section must include:

18 (1) the amount of contributions from each person,  
19 other than a caucus member, that in the aggregate exceed \$100 [~~\$50~~]  
20 and that are accepted during the reporting period by the  
21 legislative caucus, the full name and address of the person making  
22 the contributions, and the dates of the contributions;

23 (2) the amount of loans that are made during the  
24 reporting period to the legislative caucus and that in the  
25 aggregate exceed \$100 [~~\$50~~], the dates the loans are made, the  
26 interest rate, the maturity date, the type of collateral for the  
27 loans, if any, the full name and address of the person or financial

1 institution making the loans, the full name and address, principal  
2 occupation, and name of the employer of each guarantor of the loans,  
3 the amount of the loans guaranteed by each guarantor, and the  
4 aggregate principal amount of all outstanding loans as of the last  
5 day of the reporting period;

6 (3) the amount of expenditures that in the aggregate  
7 exceed \$100 [~~\$50~~] and that are made during the reporting period, the  
8 full name and address of the persons to whom the expenditures are  
9 made, and the dates and purposes of the expenditures;

10 (4) the total amount or a specific listing of  
11 contributions of \$100 [~~\$50~~] or less accepted from persons other  
12 than caucus members and the total amount or a specific listing of  
13 expenditures of \$100 [~~\$50~~] or less made during the reporting  
14 period; and

15 (5) the total amount of all contributions accepted,  
16 including total contributions from caucus members, and the total  
17 amount of all expenditures made during the reporting period.

18 SECTION 10. Section 254.036, Election Code, is amended by  
19 adding Subsections (f-1) and (h-1) to read as follows:

20 (f-1) A report filed under this chapter with an authority  
21 other than the commission may be filed electronically by using  
22 computer software developed by the commission, if the software has  
23 the capability of being used for filing reports with other entities  
24 and the authority with whom the report is required to be filed has  
25 adopted rules and procedures to provide for the filing of the report  
26 using the software.

27 (h-1) An authority other than the commission with whom a

1 report is required to be filed under this chapter may not require  
2 that a report filed by means of electronic transfer, including by  
3 the use of computer software developed by the commission, be  
4 accompanied by a notarized affidavit containing the statement in  
5 Subsection (h), provided that the report is filed in accordance  
6 with the rules and procedures adopted by the authority.

7 SECTION 11. Section 254.0611(a), Election Code, is amended  
8 to read as follows:

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

12 (1) the total amount of political contributions,  
13 including interest or other income, maintained in one or more  
14 accounts in which political contributions are deposited as of the  
15 last day of the reporting period;

16 (2) for each individual from whom the person filing  
17 the report has accepted political contributions that in the  
18 aggregate exceed \$100 [~~\$50~~] and that are accepted during the  
19 reporting period:

20 (A) the principal occupation and job title of the  
21 individual and the full name of the employer of the individual or of  
22 the law firm of which the individual or the individual's spouse is a  
23 member, if any; or

24 (B) if the individual is a child, the full name of  
25 the law firm of which either of the individual's parents is a  
26 member, if any;

27 (3) a specific listing of each asset valued at \$500 or



1 more that was purchased with political contributions and on hand as  
2 of the last day of the reporting period;

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

6 (A) the full name and address of the person  
7 making the contribution;

8 (B) the amount of the contribution; and

9 (C) the date of the contribution; and

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

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

14 (B) the full name and address of each guarantor  
15 of the loan other than the candidate.

16 SECTION 12. Section 254.151, Election Code, is amended to  
17 read as follows:

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

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

22 (2) the full name, residence or business street  
23 address, and telephone number of the committee's campaign  
24 treasurer;

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

27 (4) the name of each identified candidate or measure

1 or classification by party of candidates supported or opposed by  
2 the committee, indicating whether the committee supports or opposes  
3 each listed candidate, measure, or classification by party of  
4 candidates;

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

7 (6) the principal occupation of each person from whom  
8 political contributions that in the aggregate exceed \$100 [~~\$50~~] are  
9 accepted during the reporting period;

10 (7) the amount of each political expenditure in the  
11 form of a political contribution made to a candidate, officeholder,  
12 or another political committee that is returned to the committee  
13 during the reporting period, the name of the person to whom the  
14 expenditure was originally made, and the date it is returned;

15 (8) on a separate page or pages of the report, the  
16 identification of any contribution from a corporation or labor  
17 organization made and accepted under Subchapter D, Chapter 253; and

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

21 (A) establish or administer the political  
22 committee; or

23 (B) finance the solicitation of political  
24 contributions to the committee under Section 253.100.

25 SECTION 13. Section 254.161, Election Code, is amended to  
26 read as follows:

27 Sec. 254.161. NOTICE TO CANDIDATE AND OFFICEHOLDER OF

1 CONTRIBUTIONS AND EXPENDITURES. If a general-purpose committee  
2 other than the principal political committee of a political party  
3 or a political committee established by a political party's county  
4 executive committee accepts political contributions or makes  
5 political expenditures for a candidate or officeholder, notice of  
6 that fact shall be given to the affected candidate or officeholder  
7 as provided by Section 254.128 for a specific-purpose committee.  
8 An out-of-state political committee that is required to comply with  
9 this section shall designate an officer of the committee to provide  
10 the notice.

11 SECTION 14. Section 254.261, Election Code, is amended by  
12 adding Subsection (e) to read as follows:

13 (e) This section applies to an out-of-state political  
14 committee that does not file a campaign treasurer appointment.

15 SECTION 15. Sections 253.037(a) and (c), Election Code, are  
16 repealed.

17 SECTION 16. The amendment by this Act of Section  
18 254.001(d), Election Code, applies to any record that contains  
19 information necessary for filing a report under Chapter 254,  
20 Election Code, for which the filing deadline was on or after  
21 September 1, 2013.

22 SECTION 17. Sections 254.031(a), 254.0311(b), 254.0611(a),  
23 and 254.151, Election Code, as amended by this Act, apply only to a  
24 report under Chapter 254, Election Code, that is required to be  
25 filed on or after the effective date of this Act. A report under  
26 Chapter 254, Election Code, that is required to be filed before the  
27 effective date of this Act is governed by the law in effect on the

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1 date the report is required to be filed, and the former law is  
2 continued in effect for that purpose.

3 SECTION 18. This Act takes effect September 1, 2015.