

By: Huffman

S.B. No. 1969

A BILL TO BE ENTITLED

AN ACT

relating to ethics of public servants, including the functions and duties of the Texas Ethics Commission; the regulation of political contributions, political advertising, lobbying, and conduct of public servants; and the reporting of political contributions and expenditures and personal financial information; providing civil and criminal penalties.

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

ARTICLE 1. GENERAL PROCEDURES OF TEXAS ETHICS COMMISSION

SECTION 1.01. Subchapter B, Chapter 571, Government Code, is amended by adding Section 571.033 to read as follows:

Sec. 571.033. NOTIFICATION PROCEDURES. The commission shall adopt rules prescribing how the commission will notify any person or provide any notice required by this subtitle, Chapter 305, or Title 15, Election Code.

SECTION 1.02. Section 571.0671, Government Code, is amended by adding Subsection (d) to read as follows:

(d) Electronic report data saved in a commission temporary storage location for later retrieval and editing before the report is filed is confidential and may not be disclosed. After the report is filed, the information disclosed in the report is subject to the law requiring the filing of the report.

ARTICLE 2. PERSONAL FINANCIAL STATEMENTS

SECTION 2.01. Section 571.0671, Government Code, is amended

1 to read as follows:

2 Sec. 571.0671. REQUIREMENTS FOR ELECTRONIC FILING
3 SOFTWARE. (a) Computer software provided or approved by the
4 commission for use under Section 254.036(b), Election Code, or
5 Section 302.013, ~~[or]~~ 305.0064, or 572.0291 must:

6 (1) use a standardized format for the entry of names,
7 addresses, and zip codes;

8 (2) provide for secure and encoded transmission of
9 data from the computer of a person filing a report to the computers
10 used by the commission;

11 (3) be capable of being used by a person with basic
12 computing skills;

13 (4) provide confirmation to a person filing a report
14 that the report was properly received; and

15 (5) permit a person using a computer to prepare a
16 report or to retrieve information from a report to import
17 information to the report from a variety of computer software
18 applications that meet commission specifications for a standard
19 file format or export information from the report to a variety of
20 computer software applications that meet commission specifications
21 for a standard file format without the need to reenter information.

22 (b) Before determining the specifications for computer
23 software developed, purchased, or licensed for use under Section
24 254.036, Election Code, or Section 302.013, ~~[or]~~ 305.0064, or
25 572.0291, the commission shall conduct at least one public hearing
26 to discuss the specifications. For at least 10 days following the
27 hearing, the commission shall accept public comments concerning the

1 software specifications.

2 (c) The commission may provide software for use under
3 Section 254.036(b), Election Code, or Section 302.013, ~~[or]~~
4 305.0064, or 572.0291 by making the software available on the
5 Internet. If the commission makes the software available on the
6 Internet, the commission is not required to provide the software on
7 computer diskettes, CD-ROMs, or other storage media without charge
8 to persons required to file reports under that section, but may
9 charge a fee for providing the software on storage media. A fee
10 under this subsection may not exceed the cost to the commission of
11 providing the software.

12 SECTION 2.02. Subchapter B, Chapter 572, Government Code,
13 is amended by adding Section 572.0291 to read as follows:

14 Sec. 572.0291. ELECTRONIC FILING REQUIRED. A financial
15 statement filed with the commission must be filed by computer
16 diskette, modem, or other means of electronic transfer, using
17 computer software provided by the commission or computer software
18 that meets commission specifications for a standard file format.

19 SECTION 2.03. Subchapter B, Chapter 572, Government Code,
20 is amended by adding Section 572.0292 to read as follows:

21 Sec. 572.0292. PREPARATION OF FORMS. The commission shall
22 design forms that may be used for filing a financial statement with
23 an authority other than the commission.

24 SECTION 2.04. The heading to Section 572.030, Government
25 Code, is amended to read as follows:

26 Sec. 572.030. NOTIFICATION OF FILING REQUIREMENT
27 [PREPARATION AND MAILING OF FORMS].

SECTION 2.05. Subsections (b) and (c), Section 572.030, Government Code, are amended to read as follows:

(b) The commission shall notify ~~[mail to]~~ each individual required to file under this subchapter of ~~[a notice that]~~:

(1) the requirement ~~[states]~~ that the individual ~~[is required to]~~ file a financial statement under this subchapter;

(2) ~~[identifies]~~ the filing dates for the financial statement as provided by Sections 572.026 and 572.027; and

(3) ~~[describes]~~ the manner in which the individual may electronically file the financial statement and access instructions for filing financial statements on ~~[obtain the financial statement forms and instructions from]~~ the commission's Internet website~~+~~

~~[(4) states that on request of the individual, the commission will mail to the individual a copy of the financial statement forms and instructions; and~~

~~[(5) states, if applicable, the fee for mailing the forms and instructions and the manner in which the individual may pay the fee].~~

(c) The notification ~~[notice]~~ required by Subsection (b) must be provided ~~[mailed]~~:

(1) before the 30th day before the deadline for filing the financial statement under Section 572.026(a) or (c), except as otherwise provided by this subsection;

(2) not later than the 15th day after the applicable deadline for filing an application for a place on the ballot or a declaration of write-in candidacy for candidates required to file

under Section 572.027(a), (b), or (c);

(3) not later than the seventh day after the date of appointment for individuals required to file under Section 572.026(b), or if the legislature is in session, sooner if possible; and

(4) not later than the fifth day after the date the certificate of nomination is filed for candidates required to file under Section 572.027(d) [~~574.027(d)~~].

SECTION 2.06. Subsection (b), Section 572.031, Government Code, is amended to read as follows:

(b) If the commission determines that an individual has failed to file the statement in compliance with this subchapter, the commission shall notify [~~send a written statement of the determination to~~] the appropriate prosecuting attorney for [~~attorneys of~~] the state of the determination.

SECTION 2.07. Section 572.032, Government Code, is amended by amending Subsection (a-1) and adding Subsection (a-2) to read as follows:

(a-1) The commission shall remove the home address of a judge, [or] justice, or district attorney from a financial statement filed under this subchapter before:

(1) permitting a member of the public to view the statement; or

(2) providing a copy of the statement to a member of the public.

(a-2) The commission shall remove the home address of an individual from a financial statement filed by the individual under

this subchapter before:

(1) permitting a member of the public to view the statement; or

(2) providing a copy of the statement to a member of the public.

SECTION 2.08. Subsections (a) and (b), Section 572.033, Government Code, are amended to read as follows:

(a) The commission shall determine from any available evidence whether a statement required to be filed under this subchapter is late. On making a determination that the statement is late, the commission shall notify ~~[immediately mail a notice of the determination to]~~ the individual responsible for filing the statement and ~~[to]~~ the appropriate prosecuting attorney for the state of the determination.

(b) If a statement is determined to be late, the individual responsible for filing the statement is liable to the state for a civil penalty of \$500. If a statement is more than 30 days late, the commission shall issue a warning of liability ~~[by registered mail]~~ to the individual responsible for the filing. If the penalty is not paid before the 10th day after the date on which the warning is received, the individual is liable for a civil penalty in an amount determined by commission rule, but not to exceed \$10,000.

SECTION 2.09. Section 145.003, Local Government Code, is amended by adding Subsection (c) to read as follows:

(c) The statement may be filed with the clerk or secretary by electronic mail. The clerk or secretary may prescribe guidelines for filing by electronic mail.

1 SECTION 2.10. Subsection (d), Section 145.004, Local
2 Government Code, is amended to read as follows:

3 (d) The timeliness of the filing is governed by Section
4 572.029, Government Code. In addition, a financial statement that
5 is not filed by electronic mail is timely filed if it is properly
6 addressed and placed in the United States post office or in the
7 hands of a common or contract carrier not later than the last day
8 for filing the financial statement. The post office cancellation
9 mark or the receipt mark of a common or contract carrier is prima
10 facie evidence of the date the statement was deposited with the post
11 office or carrier. The individual filing the statement may show by
12 competent evidence that the actual date of posting was different
13 from that shown by the mark.

14 SECTION 2.11. Section 159.003, Local Government Code, is
15 amended by adding Subsection (c) to read as follows:

16 (c) The statement may be filed with the county clerk by
17 electronic mail. The county clerk may prescribe guidelines for
18 filing by electronic mail.

19 SECTION 2.12. Subsection (b), Section 159.004, Local
20 Government Code, is amended to read as follows:

21 (b) The timeliness of the filing is governed by Section
22 572.029, Government Code. In addition, a financial statement that
23 is not filed by electronic mail is timely filed if it is properly
24 addressed and placed in the United States post office or in the
25 hands of a common or contract carrier not later than the last day
26 for filing the financial statement. The post office cancellation
27 mark or the receipt mark of a common or contract carrier is prima

1 facie evidence of the date the statement was deposited with the post
2 office or carrier. The individual filing the statement may show by
3 competent evidence that the actual date of posting was different
4 from that shown by the mark.

5 SECTION 2.13. Section 159.034, Local Government Code, is
6 amended by adding Subsection (d) to read as follows:

7 (d) A report filed under this subchapter may be filed by
8 electronic mail. The authority with whom the report is filed may
9 prescribe guidelines for filing by electronic mail.

10 SECTION 2.14. Section 159.052, Local Government Code, is
11 amended by adding Subsection (c) to read as follows:

12 (c) A financial statement filed with the county clerk may be
13 filed by electronic mail. The county clerk may prescribe
14 guidelines for filing by electronic mail under this subsection.

15 SECTION 2.15. Subsection (b), Section 159.053, Local
16 Government Code, is amended to read as follows:

17 (b) The timeliness of the filing is governed by Section
18 572.029, Government Code. In addition, a financial statement that
19 is not filed by electronic mail is timely filed if it is properly
20 addressed and placed in the United States post office or in the
21 hands of a common or contract carrier not later than the last day
22 for filing the financial statement. The post office cancellation
23 mark or the receipt mark of a common or contract carrier is prima
24 facie evidence of the date the statement was deposited with the post
25 office or carrier. The individual filing the statement may show by
26 competent evidence that the actual date of posting was different
27 from that shown by the mark.

SECTION 2.16. Subsection (a-1), Section 572.032, Government Code, as amended by this Act, applies to any financial statement filed under Subchapter B, Chapter 572, Government Code, that the Texas Ethics Commission maintains on file and that is accessible to the public on or after the effective date of this Act.

SECTION 2.17. Subsection (a-2), Section 572.032, Government Code, as added by this Act, applies only to a financial statement filed under Subchapter B, Chapter 572, Government Code, on or after the date the Texas Ethics Commission determines that the computer software that a person is required to use to electronically file a financial statement includes features that allow the commission to easily and quickly redact information in the statement. A financial statement filed before that date is governed by the law in effect on the date of filing, and the former law is continued in effect for that purpose.

ARTICLE 3. CAMPAIGN FINANCE

SECTION 3.01. Subdivision (16), Section 251.001, Election Code, is amended to read as follows:

(16) "Political advertising" means a communication supporting or opposing a candidate for nomination or election to a public office or office of a political party, a political party, a public officer, or a measure that:

(A) in return for consideration, is published in a newspaper, magazine, or other periodical or is broadcast by radio or television; ~~or~~

(B) is transmitted by an automated dial announcing device, as defined by Section 55.121, Utilities Code; or

1 (C) appears:

2 (i) in a pamphlet, circular, flier,
3 billboard or other sign, bumper sticker, or similar form of written
4 communication; or

5 (ii) on an Internet website.

6 SECTION 3.02. Section 251.003, Election Code, is amended to
7 read as follows:

8 Sec. 251.003. [~~PROHIBITION OF~~] DOCUMENT FILING FEE. (a) A
9 candidate, an officeholder other than the secretary of state, and a
10 political committee shall pay an annual fee for each year in which
11 the candidate, officeholder, or political committee files [~~A charge~~
12 ~~may not be made for filing~~] a document required to be filed under
13 this title.

14 (b) This section does not apply to:

15 (1) a candidate, officeholder, or specific-purpose
16 committee who files reports under this title with an authority
17 other than the commission;

18 (2) a candidate who filed a petition in lieu of the
19 filing fee with the candidate's application for a place on the
20 ballot; or

21 (3) an officeholder who filed a petition in lieu of the
22 filing fee with the application for a place on the ballot as a
23 candidate for the office held by the officeholder.

24 (c) The commission shall by rule determine the amount of the
25 annual fee under this section in an amount, not to exceed \$100, that
26 the commission determines necessary for the administration of this
27 title.

1 (d) The commission shall adopt rules to implement this
2 section.

3 SECTION 3.03. The heading to Chapter 252, Election Code, is
4 amended to read as follows:

5 CHAPTER 252. CAMPAIGN TREASURER, AND PRINCIPAL POLITICAL COMMITTEE

6 SECTION 3.04. Chapter 252, Election Code, is amended by
7 designating Sections 252.001 through 252.015 as Subchapter A and
8 adding a subchapter heading to read as follows:

9 SUBCHAPTER A. CAMPAIGN TREASURER

10 SECTION 3.05. Section 252.001, Election Code, is amended to
11 read as follows:

12 Sec. 252.001. APPOINTMENT OF CAMPAIGN TREASURER REQUIRED.
13 Except as provided in Subchapter C, each ~~[Each]~~ candidate and each
14 political committee shall appoint a campaign treasurer as provided
15 by this subchapter ~~[chapter]~~.

16 SECTION 3.06. Subchapter A, Chapter 252, Election Code, is
17 amended by adding Section 252.00311 to read as follows:

18 Sec. 252.00311. CERTAIN USE OF CANDIDATE'S NAME BY
19 POLITICAL COMMITTEE PROHIBITED. (a) Notwithstanding Section
20 252.0031(b), the name of a political committee may not include the
21 name of any candidate that the committee supports if the candidate
22 has not previously consented to and approved of the committee's
23 formation.

24 (b) A violation of this section is a deceptive trade
25 practice under Subchapter E, Chapter 17, Business & Commerce Code,
26 and is actionable under that subchapter.

27 SECTION 3.07. Chapter 252, Election Code, is amended by

adding Subchapter B to read as follows:

SUBCHAPTER B. PRINCIPAL POLITICAL COMMITTEE

Sec. 252.101. DESIGNATION OF PRINCIPAL POLITICAL COMMITTEE. (a) A candidate required to file a campaign treasurer appointment with the commission or an officeholder of an office for which a candidate is required to file a campaign treasurer appointment with the commission may designate a specific-purpose committee as the principal political committee for the candidate or officeholder with the responsibility of reporting any activity of the candidate or officeholder for which the candidate or officeholder would otherwise be required to file a report under Chapter 254.

(b) A candidate who designates a principal political committee under this subchapter is not required to appoint a campaign treasurer under Subchapter A.

(c) A designation of a principal political committee must be in writing and filed with the commission.

Sec. 252.102. LIMITATION ON DESIGNATION OF AND AS PRINCIPAL POLITICAL COMMITTEE. (a) A candidate or officeholder may designate only one specific-purpose committee as the candidate's or officeholder's principal political committee.

(b) A specific-purpose committee may be designated as the principal political committee for only one candidate or officeholder.

SECTION 3.08. Subchapter A, Chapter 253, Election Code, is amended by adding Section 253.006 to read as follows:

Sec. 253.006. CERTAIN CONTRIBUTIONS AND EXPENDITURES BY

1 LOBBYISTS RESTRICTED. (a) In this section, "administrative
2 action," "communicates directly with," "legislation," "member of
3 the executive branch," and "member of the legislative branch" have
4 the meanings assigned by Section 305.002, Government Code.

5 (b) Notwithstanding any other provision of law and except as
6 provided by Subsection (c), a person required to register under
7 Chapter 305, Government Code, may not, before the second
8 anniversary of the date the last term for which the person was
9 elected ends, knowingly make or authorize a political contribution
10 or political expenditure from political contributions accepted by
11 the person as a candidate or officeholder.

12 (c) Subsection (b) does not apply to a person who:

13 (1) communicates directly with a member of the
14 legislative or executive branch only to influence legislation or
15 administrative action on behalf of:

16 (A) a nonprofit organization exempt from federal
17 income taxation under Section 501(a), Internal Revenue Code of
18 1986, as an organization described by Section 501(c)(3) of that
19 code;

20 (B) a group of low-income individuals; or

21 (C) a group of individuals with disabilities;

22 and

23 (2) does not receive compensation other than
24 reimbursement for actual expenses for engaging in communication
25 described by Subdivision (1).

26 (d) A person who violates this section commits an offense.
27 An offense under this section is a Class A misdemeanor.

1 SECTION 3.09. Subsection (a), Section 253.158, Election
2 Code, is amended to read as follows:

3 (a) For purposes of Sections 253.155 and 253.157, a
4 contribution by the ~~[spouse or]~~ child of an individual is
5 considered to be a contribution by the individual.

6 SECTION 3.10. Section 254.036, Election Code, is amended by
7 amending Subsections (c) and (c-1) and adding Subsections (d) and
8 (d-1) to read as follows:

9 (c) A candidate, officeholder, or political committee that
10 is required to file reports with the commission may file reports
11 that comply with Subsection (a) if:

12 (1) the candidate, officeholder, or campaign
13 treasurer of the committee files with the commission an affidavit
14 stating that the candidate, officeholder, or committee, an agent of
15 the candidate, officeholder, or committee, or a person with whom
16 the candidate, officeholder, or committee contracts does not use
17 computer equipment to keep the current records of political
18 contributions, political expenditures, or persons making political
19 contributions to the candidate, officeholder, or committee; and

20 (2) the candidate, officeholder, or committee has
21 never ~~[does not]~~, in a calendar year, accepted ~~[accept]~~ political
22 contributions that in the aggregate exceeded ~~[exceed]~~ \$20,000 or
23 made ~~[make]~~ political expenditures that in the aggregate exceeded
24 ~~[exceed]~~ \$20,000.

25 (c-1) An affidavit under Subsection (c) must be filed with
26 each report filed under Subsection (a). The affidavit must include
27 a statement that the candidate, officeholder, or political

1 committee understands that the candidate, officeholder, or
2 committee shall file reports as required by Subsection (b) if:

3 (1) the candidate, officeholder, or committee, a
4 consultant of the candidate, officeholder, or committee, or a
5 person with whom the candidate, officeholder, or committee
6 contracts uses computer equipment for a purpose described by
7 Subsection (c); or

8 (2) the candidate, officeholder, or committee ever
9 exceeds \$20,000 in political contributions or political
10 expenditures in a calendar year.

11 (d) A legislative caucus may file reports that comply with
12 Subsection (a) if:

13 (1) the legislative caucus chair files with the
14 commission an affidavit stating that the caucus, an agent of the
15 caucus, or a person with whom the caucus contracts does not use
16 computer equipment to keep the current records of contributions,
17 expenditures, or persons making contributions to the caucus; and

18 (2) the caucus has never, in a calendar year, accepted
19 contributions that in the aggregate exceeded \$20,000 or made
20 expenditures that in the aggregate exceeded \$20,000.

21 (d-1) An affidavit under Subsection (d) must be filed with
22 each report filed under Subsection (a). The affidavit must include
23 a statement that the legislative caucus understands that the caucus
24 shall file reports as required by Subsection (b) if:

25 (1) the caucus, a consultant of the caucus, or a person
26 with whom the caucus contracts uses computer equipment for a
27 purpose described by Subsection (d); or

1 (2) the caucus ever exceeds \$20,000 in contributions
2 or expenditures in a calendar year.

3 SECTION 3.11. Subsections (a) and (b), Section 254.042,
4 Election Code, are amended to read as follows:

5 (a) The commission shall determine from any available
6 evidence whether a report required to be filed with the commission
7 under this chapter is late. On making that determination, the
8 commission shall immediately notify ~~[mail a notice of the~~
9 ~~determination to]~~ the person required to file the report of the
10 determination.

11 (b) If a report other than a report under Section
12 254.064(c), 254.124(c), or 254.154(c) or the first report under
13 Section 254.063 or 254.123 that is required to be filed following
14 the primary or general election is determined to be late, the person
15 required to file the report is liable to the state for a civil
16 penalty of \$500. If a report under Section 254.064(c), 254.124(c),
17 or 254.154(c) or the first report under Section 254.063 or 254.153
18 that is required to be filed following the primary or general
19 election is determined to be late, the person required to file the
20 report is liable to the state for a civil penalty of \$500 for the
21 first day the report is late and \$100 for each day thereafter that
22 the report is late. If a report is more than 30 days late, the
23 commission shall issue a warning of liability ~~[by registered mail]~~
24 to the person required to file the report. If the penalty is not
25 paid before the 10th day after the date on which the warning is
26 received, the person is liable for a civil penalty in an amount
27 determined by commission rule, but not to exceed \$10,000.

SECTION 3.12. Subchapter C, Chapter 254, Election Code, is amended by adding Section 254.067 to read as follows:

Sec. 254.067. REPORT NOT REQUIRED. If during any reporting period prescribed by this subchapter a candidate designates a specific-purpose committee as the candidate's principal political committee as provided by Section 252.101, the candidate is not required to file a report covering that period if the candidate's principal political committee reports all of the activity that would otherwise be required to be included in the report, including:

(1) the amount of any political contribution, including any loan, made by the candidate to the principal political committee; and

(2) the amount of any political expenditure made by the candidate from personal funds and whether the candidate intends to seek reimbursement of the expenditure from the principal political committee.

SECTION 3.13. Section 254.095, Election Code, is amended to read as follows:

Sec. 254.095. REPORT NOT REQUIRED. (a) If at the end of any reporting period prescribed by this subchapter an officeholder who is required to file a report with an authority other than the commission has not accepted political contributions that in the aggregate exceed \$500 or made political expenditures that in the aggregate exceed \$500, the officeholder is not required to file a report covering that period.

(b) If during any reporting period prescribed by this

1 subchapter an officeholder designates a specific-purpose committee
2 as the officeholder's principal political committee as provided by
3 Section 252.101, the officeholder is not required to file a report
4 covering that period if the officeholder's principal political
5 committee reports all of the activity that would otherwise be
6 required to be included in the report, including:

7 (1) the amount of any political contribution,
8 including any loan, made by the officeholder to the principal
9 political committee; and

10 (2) the amount of any political expenditure made by
11 the officeholder from personal funds and whether the officeholder
12 intends to seek reimbursement of the expenditure from the principal
13 political committee.

14 SECTION 3.14. Section 254.157, Election Code, is amended to
15 read as follows:

16 Sec. 254.157. MONTHLY REPORTING SCHEDULE. (a) The
17 campaign treasurer of a general-purpose committee filing monthly
18 reports shall file a report not later than the 10th [~~fifth~~] day of
19 the month following the period covered by the report. A report
20 covering the month preceding an election in which the committee is
21 involved must be received by the commission [~~authority with whom~~
22 ~~the report is required to be filed~~] not later than the 10th [~~fifth~~]
23 day of the month following the period covered by the report.

24 (b) A monthly report covers the period beginning the first
25 calendar [~~26th~~] day of each month and continuing through the last
26 calendar [~~25th~~] day of that [~~the following~~] month[, ~~except that the~~
27 ~~period covered by the first report begins January 1 and continues~~

1 ~~through January 25]~~.

2 SECTION 3.15. Section 254.158, Election Code, is amended to
3 read as follows:

4 Sec. 254.158. EXCEPTION TO MONTHLY REPORTING SCHEDULE. If
5 the campaign treasurer appointment of a general-purpose committee
6 filing monthly reports is filed after January 1 of the year in which
7 monthly reports are filed, the period covered by the first monthly
8 report begins the day the appointment is filed and continues
9 through the last calendar ~~[25th]~~ day of the month in which the
10 appointment is filed unless the appointment is filed the last
11 calendar ~~[25th or a succeeding]~~ day of the month. In that case, the
12 period continues through the last calendar ~~[25th]~~ day of the month
13 following the month in which the appointment is filed.

14 SECTION 3.16. Subchapter J, Chapter 254, Election Code, is
15 amended by adding Section 254.2611 to read as follows:

16 Sec. 254.2611. CERTAIN NONPROFIT MEMBERSHIP ASSOCIATIONS
17 NOT ACTING IN CONCERT. For purposes of Section 254.261, a person is
18 not considered to be acting in concert with another person if the
19 person:

20 (1) is a nonprofit membership association subject to
21 Subchapter D, Chapter 253;

22 (2) is part of a multi-tiered local, state, and
23 national nonprofit membership association structure; and

24 (3) communicates with any entity within the
25 multi-tiered association structure to make a direct campaign
26 expenditure in this state.

27 SECTION 3.17. Subchapter J, Chapter 254, Election Code, is

amended by adding Section 254.263 to read as follows:

Sec. 254.263. APPLICABILITY OF PRIVILEGE TO CERTAIN PERSONS MAKING DIRECT CAMPAIGN EXPENDITURES. The privilege established under Subchapter C, Chapter 22, Civil Practice and Remedies Code, does not apply to:

(1) a person who is required to file a report under Section 254.261, who controls a political committee, or who makes a political expenditure described by Section 253.100(a);

(2) a person who is required to be disclosed on federal Internal Revenue Service Form 990 as an entity related to a person described by Subdivision (1); or

(3) a person who is an employee or contractor of, who acts under the control of, or who acts on behalf of a person described by Subdivision (1) or (2).

SECTION 3.18. Section 255.001, Election Code, is amended by amending Subsections (a) and (d) and adding Subsections (a-1) and (a-2) to read as follows:

(a) A person may not knowingly cause to be published, distributed, or broadcast political advertising containing express advocacy that does not include ~~indicate~~ in the advertising:

(1) an indication that it is political advertising;
~~and~~

(2) the full name of:

(A) the person who paid for the political advertising;

(B) the political committee authorizing the political advertising; or

(C) the candidate or specific-purpose committee supporting the candidate, if the political advertising is authorized by the candidate;

(3) if the political advertising is authorized by the candidate:

(A) for advertising transmitted through radio, an audio statement made by the candidate that identifies the candidate and states that the candidate has approved the communication; and

(B) for advertising transmitted through television:

(i) a clearly identifiable photographic or similar image of the candidate; and

(ii) a statement in writing identifying the candidate and stating that the candidate has approved the communication that appears:

(a) at the end of the communication for not less than four seconds; and

(b) in letters that are at least four percent of the vertical screen height; and

(4) if the political advertising is not authorized by the candidate:

(A) for advertising transmitted through radio, an audio statement of the name of the person who paid for the advertising, made by an individual named in the statement or by a representative of a person named in the statement who is not an individual; and

1 (B) for advertising transmitted through
2 television, a written statement that contains the name of the
3 person who paid for the advertising and that appears:

4 (i) at the end of the communication for not
5 less than four seconds; and

6 (ii) in letters that are at least four
7 percent of the vertical screen height.

8 (a-1) An Internet website containing political advertising
9 must contain the disclosure required by this section on each page of
10 the website containing the political advertising. The disclosure
11 must appear:

12 (1) in a printed box set apart from the rest of the
13 contents of the page;

14 (2) in a font size that is at least 12 pixels; and

15 (3) in black text on a white background or in a text
16 color so that the degree of contrast between the background color
17 and the disclosure text color is at least as great as the degree of
18 contrast between the background color and the color of the largest
19 text on the page.

20 (a-2) If political advertising appears on a social media
21 website, a disclosure that complies with Subsection (a-1) must
22 appear on the appropriate social media profile page. If political
23 advertising on an Internet website, including a social media
24 profile page, is too small to include the disclosure in a manner
25 that complies with Subsection (a-1), the disclosure satisfies the
26 requirements of Subsection (a-1) if the disclosure links to another
27 Internet website page that displays the full disclosure and is

1 operational and freely accessible during the time the advertisement
2 is visible. Internet advertising that is too small to include a
3 disclosure complying with Subsection (a-1) includes an
4 advertisement classified as a micro bar or button according to
5 applicable advertising standards, an advertisement that has 200 or
6 fewer characters, and a graphic or picture link in which including
7 the disclosure is not reasonably practical because of the size of
8 the graphic or picture link.

9 (d) This section does not apply to:

10 (1) tickets or invitations to political fund-raising
11 events;

12 (2) campaign buttons, pins, hats, or similar campaign
13 materials; ~~[or]~~

14 (3) circulars or flyers that cost in the aggregate
15 less than \$500 to publish and distribute; or

16 (4) political advertising distributed by sending a
17 text message using a mobile communications service.

18 SECTION 3.19. Section 257.003, Election Code, is amended by
19 amending Subsection (a) and adding Subsection (e) to read as
20 follows:

21 (a) A political party that accepts contributions authorized
22 by Section 253.104 shall report all contributions and expenditures
23 made to and from the account required by Section 257.002, except as
24 provided by Subsection (e).

25 (e) A county executive committee of a political party is not
26 required to file a report under this section if the committee:

27 (1) has less than \$250 in one or more accounts

maintained by the committee in which contributions authorized by Section 253.104 are deposited, as of the last day of the preceding reporting period;

(2) has not accepted any contributions authorized by Section 253.104 during the reporting period to be covered by the report; and

(3) has not made an expenditure from contributions authorized by Section 253.104 during the reporting period to be covered by the report.

SECTION 3.20. Subchapter B, Chapter 305, Government Code, is amended by adding Section 305.030 to read as follows:

Sec. 305.030. EXPENDITURES FROM POLITICAL CONTRIBUTIONS RESTRICTED. (a) In this section, "political contribution" has the meaning assigned by Section 251.001, Election Code.

(b) Notwithstanding any other provision of law and except as provided by Subsection (c), a person required to register under this chapter may not, before the second anniversary of the date the last term for which the person was elected ends, knowingly make or authorize an expenditure under this chapter from political contributions accepted by the person as a candidate or officeholder.

(c) Subsection (b) does not apply to a person who:

(1) communicates directly with a member of the legislative or executive branch only to influence legislation or administrative action on behalf of:

(A) a nonprofit organization exempt from federal income taxation under Section 501(a), Internal Revenue Code of

1 1986, as an organization described by Section 501(c)(3) of that
2 code;

3 (B) a group of low-income individuals; or

4 (C) a group of individuals with disabilities; and

5 (2) does not receive compensation other than
6 reimbursement for actual expenses for engaging in communication
7 described by Subdivision (1).

8 SECTION 3.21. Section 253.006, Election Code, as added by
9 this article, and Section 305.030, Government Code, as added by
10 this article, apply to a political contribution, political
11 expenditure, or lobbying expenditure made on or after September 1,
12 2013, from funds accepted as a political contribution, regardless
13 of the date the funds were accepted.

14 SECTION 3.22. Section 253.158, Election Code, as amended by
15 this Act, applies only to a political contribution accepted on or
16 after the effective date of this Act. A contribution accepted
17 before the effective date of this Act is governed by the law in
18 effect on the date the contribution was accepted or the expenditure
19 was made, and the former law is continued in effect for that
20 purpose.

21 SECTION 3.23. The changes in law made by this article apply
22 only to a report required to be filed under Chapter 254, Election
23 Code, on or after the effective date of this Act. A report required
24 to be filed under Chapter 254, Election Code, before the effective
25 date of this Act is governed by the law in effect on the date the
26 report is due, and the former law is continued in effect for that
27 purpose.

1 SECTION 3.24. (a) Not later than September 15, 2015, each
2 legislative caucus in existence on September 1, 2015, shall appoint
3 a caucus chair and file a caucus chair appointment with the Texas
4 Ethics Commission as required by Subchapter B, Chapter 252,
5 Election Code, as added by this Act. Notwithstanding Section
6 254.0311, Election Code, as amended by this Act:

7 (1) not later than October 1, 2015, a legislative
8 caucus shall file a report under Section 254.0311, Election Code,
9 as that section existed before amendment by this Act, that covers
10 the period beginning July 1, 2015, or the day the caucus is
11 organized, as applicable, and continuing through September 15,
12 2015; and

13 (2) not later than January 15, 2016, a legislative
14 caucus chair appointed under this subsection shall file a report
15 under Section 254.0311, Election Code, as amended by this Act, that
16 covers the period beginning September 15, 2015, and continuing
17 through December 31, 2015.

18 (b) A legislative caucus chair appointed under Subsection
19 (a) of this section is not responsible for:

20 (1) reporting caucus activity that occurs before
21 September 15, 2013; or

22 (2) maintaining records of caucus activity that occurs
23 before September 15, 2015.

24 ARTICLE 4. EFFECTIVE DATE

25 SECTION 4.01. This Act takes effect September 1, 2015.