

## **BILL ANALYSIS**

Senate Research Center

H.B. 2677  
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State Affairs  
5/10/2019  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Currently, the Government Code prohibits registered lobbyists who are also former candidates or officeholders from using political contributions the registrant accepted as a candidate or officeholder to make a political contribution to a candidate, officeholder, or political committee. Further, while there is a general prohibition against the conversion of political contributions to personal use, neither the lobby statute, contained in Chapter 305, Government Code, nor Title 15, Election Code, clearly specify whether the use of political contributions to make a lobbyist expenditure, as defined by Chapter 305, Government Code, constitutes personal use. Interested parties contend that political contributions accepted as a candidate or officeholder, or by a specific-purpose political committee that exists to support or assist the former candidate or officeholder, should not be eligible for lobbying pursuits by a candidate or officeholder who has left public office. This bill seeks to clarify that a registered lobbyist may not use political contributions to advance his or her lobby efforts.

H.B. 2677 amends current law relating to certain restrictions on contributions and expenditures from political funds by a lobbyist.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter A, Chapter 253, Election Code, by adding Sections 253.006 and 253.007, as follows:

Sec. 253.006. QUALITY CONTRIBUTIONS AND EXPENDITURES BY LOBBYISTS RESTRICTED. Prohibits a person required to register under Chapter 305 (Registration of Lobbyists), Government Code, notwithstanding any other provision of law, from knowingly making or authorizing a political contribution or political expenditure that is a political contribution to another candidate, officeholder, or political committee, or direct campaign expenditure, from political contributions accepted by:

- (1) the person as a candidate or officeholder;
- (2) a specific-purpose committee for the purpose of supporting the person as a candidate or assisting the person as an officeholder; or
- (3) a political committee that accepted a political contribution from a source described by Subdivision (1) or (2) during the two-year period immediately before the date the political contribution or expenditure was made.

Sec. 253.007. PROHIBITION ON LOBBYING BY PERSON MAKING OR AUTHORIZING CERTAIN POLITICAL CONTRIBUTIONS AND DIRECT CAMPAIGN EXPENDITURES. (a) Defines "administrative action," "communicates

directly with," "legislation," "member of the executive branch," and "member of the legislative branch" for purposes of this section.

(b) Prohibits a person who knowingly makes or authorizes a political contribution or political expenditure that is a political contribution to another candidate, officeholder, or political committee, or direct campaign expenditure, from political contributions accepted by the person as a candidate or officeholder, notwithstanding any other provision of law and except as provided by Subsection (c), from engaging in any activities that require the person to register under Chapter 305 (Registration of Lobbyists), Government Code, during the two-year period after the date the person makes or authorizes the political contribution or direct campaign expenditure.

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

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

(C) a group of individuals with disabilities; and

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

SECTION 2. Amends Sections 305.029(a) and (b), Government Code, as follows:

(a) Makes nonsubstantive changes. Defines "candidate," "political contribution," "political committee," "political expenditure," and "specific-purpose committee" for purposes of this section.

(b) Prohibits a registrant, or a person on the registrant's behalf and with the registrant's consent or ratification, from knowingly making or authorizing an expenditure required to be reported under this chapter from a political contribution that was accepted by:

(1) the registrant as a candidate or officeholder, rather than to another candidate, officeholder, or political committee;

(2) a specific-purpose committee for the purpose of supporting the registrant as a candidate or assisting the registrant as an officeholder; or

(3) a political committee that accepted a political contribution described by Subdivision (1) or (2) during the two-year period immediately before the date the expenditure was made or authorized by the registrant.

Deletes existing text prohibiting a person required to register under this chapter (Registration of Lobbyists), notwithstanding any other provision of law, from at any time following the date the last term for which the person was elected ends, knowingly making or authorizing, from political contributions accepted by the person as a candidate or officeholder, a political expenditure that is a political contribution to another candidate or officeholder or political committee.

SECTION 3. Provides that Sections 253.006 and 253.007, Election Code, as added by this Act, and Section 305.029, Government Code, as amended by this Act, apply to a political contribution, political expenditure, direct campaign expenditure, or lobbying expenditure made

on or after September 27, 2019, from funds accepted as a political contribution, regardless of the date the funds were accepted.

SECTION 4. Effective date: September 27, 2019.