

BILL ANALYSIS

C.S.H.B. 2677
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State Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Concerns have been raised about the revolving door of candidates and officeholders becoming lobbyists immediately after losing an election or retiring from office. C.S.H.B. 2677 seeks to address this issue by, among other provisions, prohibiting a person who makes or authorizes certain political contributions and direct campaign expenditures from lobbying during the two-year period after the date the person makes or authorizes the contribution or expenditure.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 2677 amends the Election Code to prohibit a person required to register under statutory provisions governing lobbyist registration from knowingly making or authorizing a political contribution or political expenditure from political contributions accepted by:

- the person as a candidate or officeholder;
- a specific-purpose committee for the purpose of supporting the person as a candidate or assisting the person as an officeholder; or
- a political committee that accepted a political contribution from either such source during the two-year period immediately before the date the political contribution or expenditure was made.

C.S.H.B. 2677 prohibits a person who knowingly makes or authorizes a political contribution or direct campaign expenditure from political contributions accepted by the person as a candidate or officeholder from engaging in any activities that require the person to register under statutory provisions governing lobbyist registration during the two-year period after the date the person makes or authorizes the contribution or expenditure. The bill excepts from that prohibition a person who:

- communicates directly with a member of the legislative or executive branch only to influence legislation or administrative action on behalf of:
 - a nonprofit organization described by Section 501(c)(3) of the federal Internal Revenue Code of 1986 and exempt from federal income taxation under Section 501(a) of that code;
 - a group of low-income individuals; or

- a group of individuals with disabilities; and
- does not receive compensation other than reimbursement for actual expenses for engaging in such communication.

C.S.H.B. 2677 amends the Government Code to remove the prohibition against a person required to register under statutory provisions governing lobbyist registration 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, officeholder, or political committee. The bill replaces that prohibition with a prohibition against a registrant, or a person on the registrant's behalf and with the registrant's consent or ratification, knowingly making or authorizing an expenditure required to be reported under statutory provisions governing lobbyist registration from a political contribution that was accepted by:

- the registrant as a candidate or officeholder;
- a specific-purpose committee for the purpose of supporting the registrant as a candidate or assisting the registrant as an officeholder; or
- a political committee that accepted either of the other applicable forms of contribution in the two-year period immediately before the date the expenditure was made or authorized by the registrant.

C.S.H.B. 2677 applies 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.

EFFECTIVE DATE

September 27, 2019.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 2677 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute includes a provision prohibiting a registrant from knowingly making or authorizing a political contribution or political expenditure from certain political contributions.

The substitute includes provisions prohibiting a person who knowingly makes or authorizes a political contribution or direct campaign expenditure from political contributions accepted by the person as a candidate or officeholder from engaging in certain lobbying activity during the two-year period after the date the person makes or authorizes the contribution or expenditure.

The substitute revises the prohibition against a registrant, or a person on the registrant's behalf and with the registrant's consent or ratification, making or authorizing certain expenditures from political contributions accepted by certain sources to provide that the prohibition applies with respect to an expenditure that was made or authorized knowingly.

The substitute does not include provisions relating to the personal use of political contributions by a candidate, officeholder, or former candidate or officeholder.

The substitute changes the bill's effective date and includes a provision relating to the bill's applicability.