

By: Leach, Klick, Israel, Moody, Burrows

H.B. No. 2586

Substitute the following for H.B. No. 2586:

By: Klick

C.S.H.B. No. 2586

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to political contributions and political expenditures  
3 made to or by political committees or other persons.

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

5 SECTION 1. Section 251.001, Election Code, is amended by  
6 amending Subdivisions (8) and (12) and adding Subdivision (21) to  
7 read as follows:

8 (8) "Direct campaign expenditure" means a campaign  
9 expenditure that does not constitute a campaign contribution by the  
10 person making the expenditure. A campaign expenditure does not  
11 constitute a contribution by the person making the expenditure to a  
12 candidate or officeholder if the expenditure is made without the  
13 prior consent or approval of the candidate or officeholder on whose  
14 behalf the expenditure is made. A campaign expenditure made in  
15 connection with a measure does not constitute a contribution by the  
16 person making the expenditure if it is not made as a political  
17 contribution to a political committee supporting or opposing the  
18 measure.

19 (12) "Political committee" means two or more [~~a group~~  
20 ~~of~~] persons acting in concert with [~~that has as~~] a principal purpose  
21 of accepting political contributions or making political  
22 expenditures. The term does not include a group composed  
23 exclusively of two or more individual filers or political  
24 committees required to file reports under this title who make

1 reportable expenditures for a joint activity.

2 (21) "In-kind contribution" means a contribution of  
3 goods, services, or any other thing of value that is not money, and  
4 includes an agreement made or other obligation incurred, whether  
5 legally enforceable or not, to make the contribution. The term does  
6 not include a direct campaign expenditure.

7 SECTION 2. Subchapter A, Chapter 251, Election Code, is  
8 amended by adding Sections 251.0015 and 251.0016 to read as  
9 follows:

10 Sec. 251.0015. COMMUNICATION WITH CANDIDATE. For purposes  
11 of Section 251.001(8), communication between a person and a  
12 candidate, officeholder, or candidate's or officeholder's agent is  
13 not evidence that the person obtained the candidate's or  
14 officeholder's consent or approval for a campaign expenditure made  
15 after the communication by the person on behalf of the candidate or  
16 officeholder unless the communication establishes that:

17 (1) the expenditure is incurred at the request or  
18 suggestion of the candidate, officeholder, or candidate's or  
19 officeholder's agent;

20 (2) the candidate, officeholder, or candidate's or  
21 officeholder's agent is materially involved in decisions regarding  
22 the creation, production, or distribution of a campaign  
23 communication related to the expenditure; or

24 (3) the candidate, officeholder, or candidate's or  
25 officeholder's agent shares information about the candidate's or  
26 officeholder's plans or needs that is:

27 (A) material to the creation, production, or

1 distribution of a campaign communication related to the  
2 expenditure; and

3 (B) not available to the public.

4 Sec. 251.0016. COMMON VENDOR. A person using the same  
5 vendor as a candidate, officeholder, or political committee  
6 established or controlled by a candidate or officeholder is not  
7 acting in concert with the candidate, officeholder, or committee to  
8 make a campaign expenditure unless the person makes the expenditure  
9 using information from the vendor about the campaign plans or needs  
10 of the candidate, officeholder, or committee that is:

11 (1) material to the expenditure; and

12 (2) not available to the public.

13 SECTION 3. Section 252.003, Election Code, is amended by  
14 amending Subsection (a) and adding Subsection (a-1) to read as  
15 follows:

16 (a) In addition to the information required by Section  
17 252.002, a campaign treasurer appointment by a general-purpose  
18 committee must include:

19 (1) the full name, and any acronym of the name that  
20 will be used in the name of the committee as provided by Subsection  
21 (d), of each corporation, labor organization, or other association  
22 or legal entity that directly establishes, administers, or controls  
23 the committee, if applicable, or the name of each person who  
24 determines to whom the committee makes contributions or the name of  
25 each person who determines for what purposes the committee makes  
26 expenditures;

27 (2) the full name and address of each general-purpose

1 committee to whom the committee intends to make political  
2 contributions; ~~and~~

3 (3) the name of the committee and, if the name is an  
4 acronym, the words the acronym represents; and

5 (4) before the committee may use a political  
6 contribution from a corporation or a labor organization to make a  
7 direct campaign expenditure in connection with a campaign for an  
8 elective office, an affidavit stating that:

9 (A) the committee is not established or  
10 controlled by a candidate or an officeholder; and

11 (B) the committee will not use any political  
12 contribution from a corporation or a labor organization to make a  
13 political contribution to:

14 (i) a candidate for elective office;

15 (ii) an officeholder; or

16 (iii) a political committee that has not  
17 filed an affidavit under this subdivision or Section  
18 252.0031(a)(2).

19 (a-1) Filing an affidavit under Subsection (a)(4) does not  
20 create any additional reporting requirements under Section  
21 254.261.

22 SECTION 4. Section 252.0031, Election Code, is amended by  
23 amending Subsection (a) and adding Subsections (a-1) and (a-2) to  
24 read as follows:

25 (a) In addition to the information required by Section  
26 252.002, a campaign treasurer appointment by a specific-purpose  
27 committee for supporting or opposing a candidate for an office

1 specified by Section [252.005](#)(1) must include:

2 (1) the name of and the office sought by the candidate;  
3 and

4 (2) before the committee may use a political  
5 contribution from a corporation or a labor organization to make a  
6 direct campaign expenditure in connection with a campaign for an  
7 elective office, an affidavit stating that:

8 (A) the committee is not established or  
9 controlled by a candidate or an officeholder; and

10 (B) the committee will not use any political  
11 contribution from a corporation or a labor organization to make a  
12 political contribution to:

13 (i) a candidate for elective office;

14 (ii) an officeholder; or

15 (iii) a political committee that has not  
16 filed an affidavit under this subdivision or Section [252.003](#)(a)(4).

17 (a-1) If the ~~that~~ information required to be provided  
18 under Subsection (a) changes, the committee shall immediately file  
19 an amended appointment reflecting the change.

20 (a-2) Filing an affidavit under Subsection (a)(2) does not  
21 create any additional reporting requirements under Section  
22 [254.261](#).

23 SECTION 5. Subchapter D, Chapter [253](#), Election Code, is  
24 amended by adding Section 253.097 to read as follows:

25 Sec. 253.097. CONTRIBUTION FROM CORPORATION OR LABOR  
26 ORGANIZATION. A corporation or labor organization may make  
27 campaign contributions from its own property to a political

1 committee that has filed an affidavit with the committee's campaign  
2 treasurer appointment in accordance with Section 252.003(a)(4) or  
3 252.0031(a)(2).

4 SECTION 6. Sections 253.100(a) and (e), Election Code, are  
5 amended to read as follows:

6 (a) A corporation, acting alone or with one or more other  
7 corporations, may make one or more political expenditures to  
8 finance the establishment or administration of a general-purpose  
9 committee. In addition to any other expenditure that is considered  
10 permissible under this section, a corporation may make an  
11 expenditure for the maintenance and operation of a general-purpose  
12 committee, including an expenditure for:

- 13 (1) office space maintenance and repairs;
- 14 (2) telephone and Internet services;
- 15 (3) office equipment;
- 16 (4) utilities;
- 17 (5) general office and meeting supplies;
- 18 (6) salaries for routine clerical, data entry, and  
19 administrative assistance necessary for the proper administrative  
20 operation of the committee;
- 21 (7) legal and accounting fees for the committee's  
22 compliance with this title;
- 23 (8) routine administrative expenses incurred in  
24 establishing and administering a general-purpose political  
25 committee;
- 26 (9) management and supervision of the committee,  
27 including expenses incurred in holding meetings of the committee's

1 governing body to interview candidates and make endorsements  
2 relating to the committee's support;

3 (10) the recording of committee decisions;

4 (11) expenses incurred in hosting candidate forums in  
5 which all candidates for a particular office in an election are  
6 invited to participate on the same terms; ~~[or]~~

7 (12) expenses incurred in preparing and delivering  
8 committee contributions; or

9 (13) creation and maintenance of the committee's  
10 public Internet web pages that do not contain political  
11 advertising.

12 (e) Subsection (d) does not apply to a corporation or labor  
13 organization making a campaign contribution to a political  
14 committee under Section 253.097 or an expenditure to communicate  
15 with its stockholders or members, as applicable, or with the  
16 families of its stockholders or members as provided by Section  
17 [253.098](#).

18 SECTION 7. Section [253.101](#), Election Code, is amended by  
19 adding Subsection (a-1) to read as follows:

20 (a-1) Subsection (a) does not prohibit a political  
21 committee from making a political contribution or political  
22 expenditure wholly or partly from a campaign contribution made by a  
23 corporation or labor organization to the political committee under  
24 Section [253.096](#) or [253.097](#).

25 SECTION 8. The change in law made by this Act applies only  
26 to an offense committed on or after the effective date of this Act.  
27 An offense committed before the effective date of this Act is

1 governed by the law in effect on the date the offense was committed,  
2 and the former law is continued in effect for that purpose. For  
3 purposes of this section, an offense was committed before the  
4 effective date of this Act if any element of the offense occurred  
5 before that date.

6 SECTION 9. This Act takes effect September 1, 2019.