

House Bill 2586
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

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

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

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

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

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

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

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

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

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

(A) material to the creation, production, or distribution of a campaign communication related to the expenditure; and

(B) not available to the public.

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

(1) material to the expenditure; and

(2) not available to the public.

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

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

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

(2) the full name and address of each general-purpose committee to whom the committee intends to make political contributions; ~~and~~

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

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

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

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

(i) a candidate for elective office;

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(ii) an officeholder; or
(iii) a political committee that has not filed an affidavit under this subdivision or Section 252.0031(a)(2).
(a-1) Filing an affidavit under Subsection (a)(4) does not create any additional reporting requirements under Section 254.261.

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

(a) In addition to the information required by Section 252.002, a campaign treasurer appointment by a specific-purpose committee for supporting or opposing a candidate for an office specified by Section 252.005(1) must include:
(1) the name of and the office sought by the candidate; and
(2) before the committee may use a political contribution from a corporation or a labor organization to make a direct campaign expenditure in connection with a campaign for an elective office, an affidavit stating that:

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

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

(i) a candidate for elective office;

(ii) an officeholder; or

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

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

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(a-2) Filing an affidavit under Subsection (a)(2) does not create any additional reporting requirements under Section 254.261.

SECTION 5. Subchapter D, Chapter 253, Election Code, is amended by adding Section 253.097 to read as follows:

Sec. 253.097. CONTRIBUTION FROM CORPORATION OR LABOR ORGANIZATION. A corporation or labor organization may make campaign contributions from its own property to a political committee that has filed an affidavit with the committee's campaign treasurer appointment in accordance with Section 252.003(a)(4) or 252.0031(a)(2).

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

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

- (1) office space maintenance and repairs;
- (2) telephone and Internet services;
- (3) office equipment;
- (4) utilities;
- (5) general office and meeting supplies;

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- (6) salaries for routine clerical, data entry, and administrative assistance necessary for the proper administrative operation of the committee;
 - (7) legal and accounting fees for the committee's compliance with this title;
 - (8) routine administrative expenses incurred in establishing and administering a general-purpose political committee;
 - (9) management and supervision of the committee, including expenses incurred in holding meetings of the committee's governing body to interview candidates and make endorsements relating to the committee's support;
 - (10) the recording of committee decisions;
 - (11) expenses incurred in hosting candidate forums in which all candidates for a particular office in an election are invited to participate on the same terms; [ø]
 - (12) expenses incurred in preparing and delivering committee contributions; or
 - (13) creation and maintenance of the committee's public Internet web pages that do not contain political advertising.
- (e) Subsection (d) does not apply to a corporation or labor organization making a campaign contribution to a political committee under Section 253.097 or an expenditure to communicate with its stockholders or members, as applicable, or with the families of its stockholders or members as provided by Section 253.098.

SECTION 7. Section 253.101, Election Code, is amended by adding Subsection (a-1) to read as follows:
(a-1) Subsection (a) does not prohibit a political committee from making a political contribution or political expenditure wholly or partly from a campaign contribution made by a

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corporation or labor organization to the political committee under Section 253.096 or 253.097.

No equivalent provision.

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SECTION __. Section 254.031(a), Election Code, is amended to read as follows:

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

(1) the amount of political contributions, other than political contributions described by Subdivision (1-a), from each person that in the aggregate exceed \$50 and that are accepted during the reporting period by the person or committee required to file a report under this chapter, the full name and address of the person making the contributions, and the dates of the contributions;

(1-a) the amount of political contributions from each person that are made electronically and that are accepted during the reporting period by the person or committee required to file a report under this chapter, the full name and address of the person making the contributions, and the dates of the contributions;

(2) the amount of loans that are made during the reporting period for campaign or officeholder purposes to the person or committee required to file the report and that in the aggregate exceed \$50, the dates the loans are made, the interest rate, the maturity date, the type of collateral for the loans, if any, the full name and address of the person or financial institution making the loans, the full name and address, principal occupation, and name of the employer of each guarantor of the loans, the amount of the loans guaranteed by each guarantor, and the aggregate principal

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amount of all outstanding loans as of the last day of the reporting period;

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

(4) the amount of each payment made during the reporting period from a political contribution if the payment is not a political expenditure, the full name and address of the person to whom the payment is made, and the date and purpose of the payment;

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

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

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

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

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- (9) any credit, interest, rebate, refund, reimbursement, or return of a deposit fee resulting from the use of a political contribution or an asset purchased with a political contribution that is received during the reporting period and the amount of which exceeds \$100;
- (10) any proceeds of the sale of an asset purchased with a political contribution that is received during the reporting period and the amount of which exceeds \$100;
- (11) any investment purchased with a political contribution that is received during the reporting period and the amount of which exceeds \$100;
- (12) any other gain from a political contribution that is received during the reporting period and the amount of which exceeds \$100; and
- (13) the full name and address of each person from whom an amount described by Subdivision (9), (10), (11), or (12) is received, the date the amount is received, and the purpose for which the amount is received. [FA1]

No equivalent provision.

SECTION __. Section 254.031(a), Election Code, as amended by this Act, applies only to a report under Chapter 254, Election Code, that is required to be filed on or after the effective date of this Act. A report under Chapter 254, Election Code, that is required to be filed before the effective date of this Act is governed by the law in effect on the date the report is required to be filed, and the former law is continued in effect for that purpose. [FA1]

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

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

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

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