

## **BILL ANALYSIS**

C.S.H.B. 1585  
By: Geren  
State Affairs  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

In recent sessions, the legislature has passed several well-intentioned bills relating to campaign finance reporting that have had the unintended effect of creating redundancies and burdens for filers without delivering the desired outcome of meaningful transparency regarding spending in politics. Further, actions by political actors in recent election cycles have highlighted the need for additional reforms to ensure the public has timely access to information on who is spending money to influence political outcomes, from elections to legislation, and how much. C.S.H.B. 1585 seeks to update several statutes administered and enforced by the Texas Ethics Commission to clarify campaign finance filing requirements and revise lobbyist regulations to better facilitate efficient disclosure and meaningful transparency by those who spend money in an effort to influence elections or legislative outcomes.

### **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. 1585 amends the Election Code to establish that, for purposes of state law regulating political funds and campaigns, a communication supporting or opposing legislation filed by a member of the legislature is considered political advertising if the communication appears to express support or opposition of the member or persons who support or oppose the legislation.

C.S.H.B. 1585 revises the prohibition against a candidate knowingly accepting any campaign contribution or making or authorizing any campaign expenditure at a time when a campaign treasurer appointment for the candidate is not in effect to prohibit a candidate from accepting contributions or making or authorizing expenditures totaling more than \$500 at a time when a campaign treasurer appointment for the candidate is not in effect.

C.S.H.B. 1585 removes the requirement for a campaign finance report to treat political contributions made electronically separately from other political contributions. In doing so, the bill subjects all contributions, including those made electronically, to the \$50 aggregate reporting threshold currently applicable only to physical contributions. The bill replaces the requirement for a campaign finance report to include the name of each candidate or officeholder who benefits from a direct campaign expenditure made during the reporting period by the person or committee with the requirement for the report to include instead the name of each candidate or officeholder for whom such an expenditure was made to support or oppose during the reporting period. These

provisions apply only to a report that is required to be filed on or after the bill's effective date.

C.S.H.B. 1585 amends the Government Code to expand what constitutes legislation for lobbying purposes to include the election of the speaker of the house of representatives. The bill replaces the requirement for the Texas Ethics Commission (TEC) to annually adjust upward by the nearest multiple of \$10 in accordance with the previous year's Consumer Price Index for Urban Consumers (CPI-U) any dollar amounts or categories of amounts prescribed as reporting thresholds in a law the TEC administers and enforces or that the TEC sets itself with a requirement for the TEC to update those amounts or categories decennially to the nearest multiple of \$100 in accordance with the percentage increase for the preceding 10 years in the CPI-U. This change expressly does not affect a reporting adjustment made by the TEC before the bill's effective date.

C.S.H.B. 1585 repeals Section 254.036(g), Election Code, which requires the TEC, in prescribing the format of a campaign finance report, to ensure that the report requires political expenditures made with a credit card to be reported in a single itemized list and that the list includes, stated by credit card issuer, the name of the issuer, the date and amount of each expenditure, and the date the issuer was repaid for the expenditure.

### **EFFECTIVE DATE**

September 1, 2023.

### **COMPARISON OF INTRODUCED AND SUBSTITUTE**

While C.S.H.B. 1585 may differ from the introduced 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 absent from the introduced that revises the prohibition against a candidate knowingly accepting any campaign contribution or making or authorizing any campaign expenditure at a time when a campaign treasurer appointment for the candidate is not in effect.

With respect to the requirement in law for a campaign finance report to treat political contributions made electronically differently from other political contributions by requiring all contributions made electronically to be reported, as opposed to the requirement that only physical donations exceeding \$50 in the aggregate be reported, the substitute removes this requirement entirely whereas the introduced made the requirement inapplicable only to a report filed by a political party.

The substitute omits the provisions from the introduced requiring sexual harassment training for each person required to register as a lobbyist under state law. The substitute also omits the provision from the introduced establishing that a communication published on a social media platform is considered a mass media communication for purposes of the requirement for a registrant to report to the TEC the total expenditures made by or on behalf of the registrant and with the registrant's consent or ratification for mass media communications. Accordingly, the substitute also omits the provisions in the introduced defining "sexual harassment" and "social media platform" for purposes of state law governing lobbyists.

The substitute repeals Section 254.036(g), Election Code, whereas the introduced did not.