

## **BILL ANALYSIS**

Senate Research Center  
88R13045 MPF-D

H.B. 3372  
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State Affairs  
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Engrossed

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

When a campaign donation is made using a credit card, the credit card company will often deduct the processing fee from the donation. On October 30, 2013, the Texas Ethics Commission (TEC) issued an advisory opinion regarding the reporting of campaign contributions incurring a credit card processing fee. The TEC advises that in this scenario, the candidate must report the full amount the donor intended to contribute as a political contribution, and report the deducted processing fee as a political expenditure. However, this requirement has never been formally codified into law. Another related scenario occurs when the credit card company gives the donor the option to defray the processing fee at additional cost. Current law requires the candidate to report the full amount they intended to donate as one contribution and the defrayed processing fee as a separate, in-kind donation. Without clear guidance, the requirements involving the reporting of credit card processing fees are confusing to inexperienced candidates. H.B. 3372 seeks to address these issues by establishing explicit reporting requirements for political contributions made using a credit card and by allowing candidates to aggregate all in-kind donations involving defrayed processing fees for the reporting period into a single donation.

H.B. 3372 amends current law relating to the reporting of political contributions, including in-kind contributions, and expenditures made using a credit card.

### **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 B, Chapter 254, Election Code, by adding Section 254.044, as follows:

Sec. 254.044. REPORTING OF POLITICAL CONTRIBUTIONS AND EXPENDITURES MADE USING CREDIT CARD. (a) Requires a candidate or officeholder who accepts a political contribution made using a credit card to:

(1) for a political contribution for which a processing fee is deducted by the credit card issuer from the political contribution amount:

(A) report as a political contribution the full amount, including the deducted amount; and

(B) report as a political expenditure the deducted amount; and

(2) for a political contribution for which a processing fee is paid by the person making the political contribution in excess of the political contribution amount:

(A) report as a political contribution the full amount, not including the amount paid in excess of the political contribution amount; and

(B) report as an in-kind contribution the amount paid in excess of the political contribution amount.

(b) Authorizes a candidate or officeholder, notwithstanding any other provision of Chapter 254 (Political Reporting) and for purposes of reporting in-kind contributions under Subsection (a)(2)(B), to aggregate those in-kind contributions for the reporting period during which the in-kind contributions are accepted.

SECTION 2. Makes application of Section 254.044, Election Code, as added by this Act, prospective to January 1, 2024.

SECTION 3. Effective date: September 1, 2023.