

1-1 By: Hughes, Bettencourt, King S.B. No. 2035
1-2 (In the Senate - Filed March 7, 2025; March 17, 2025, read
1-3 first time and referred to Committee on State Affairs;
1-4 April 28, 2025, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 11, Nays 0; April 28, 2025,
1-6 sent to printer.)

1-7	COMMITTEE VOTE				
1-8		Yea	Nay	Absent	PNV
1-9	Hughes	X			
1-10	Paxton	X			
1-11	Bettencourt	X			
1-12	Birdwell	X			
1-13	Hall	X			
1-14	Hinojosa of Nueces	X			
1-15	Middleton	X			
1-16	Parker	X			
1-17	Perry	X			
1-18	Schwertner	X			
1-19	Zaffirini	X			

1-20 COMMITTEE SUBSTITUTE FOR S.B. No. 2035 By: Paxton

1-21 A BILL TO BE ENTITLED
1-22 AN ACT

1-23 relating to prohibiting contributions, expenditures, and related
1-24 activities involving political committees that support or oppose a
1-25 ballot measure; creating a criminal offense; providing a civil
1-26 penalty.

1-27 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-28 SECTION 1. Section 51.014(a), Civil Practice and Remedies
1-29 Code, is amended to read as follows:

1-30 (a) A person may appeal from an interlocutory order of a
1-31 district court, county court at law, statutory probate court, or
1-32 county court that:

- 1-33 (1) appoints a receiver or trustee;
- 1-34 (2) overrules a motion to vacate an order that
1-35 appoints a receiver or trustee;
- 1-36 (3) certifies or refuses to certify a class in a suit
1-37 brought under Rule 42 of the Texas Rules of Civil Procedure;
- 1-38 (4) grants or refuses a temporary injunction or grants
1-39 or overrules a motion to dissolve a temporary injunction as
1-40 provided by Chapter 65;

1-41 (5) denies a motion for summary judgment that is based
1-42 on an assertion of immunity by an individual who is an officer or
1-43 employee of the state or a political subdivision of the state;

1-44 (6) denies a motion for summary judgment that is based
1-45 in whole or in part upon a claim against or defense by a member of
1-46 the electronic or print media, acting in such capacity, or a person
1-47 whose communication appears in or is published by the electronic or
1-48 print media, arising under the free speech or free press clause of
1-49 the First Amendment to the United States Constitution, or Article
1-50 I, Section 8, of the Texas Constitution, or Chapter 73;

1-51 (7) grants or denies the special appearance of a
1-52 defendant under Rule 120a, Texas Rules of Civil Procedure, except
1-53 in a suit brought under the Family Code;

1-54 (8) grants or denies a plea to the jurisdiction by a
1-55 governmental unit as that term is defined in Section 101.001;

1-56 (9) denies all or part of the relief sought by a motion
1-57 under Section 74.351(b), except that an appeal may not be taken from
1-58 an order granting an extension under Section 74.351;

1-59 (10) grants relief sought by a motion under Section
1-60 74.351(1);

(11) denies a motion to dismiss filed under Section 90.007;

(12) denies a motion to dismiss filed under Section 27.003;

(13) denies a motion for summary judgment filed by an electric utility regarding liability in a suit subject to Section 75.0022;

(14) denies a motion filed by a municipality with a population of 500,000 or more in an action filed under Section 54.012(6) or 214.0012, Local Government Code;

(15) makes a preliminary determination on a claim under Section 74.353;

(16) overrules an objection filed under Section 148.003(d) or denies all or part of the relief sought by a motion under Section 148.003(f); ~~or~~

(17) grants or denies a motion for summary judgment filed by a contractor based on Section 97.002; or

(18) makes a determination of probable cause under Section 253.206(b), Election Code.

SECTION 2. Chapter 252, Election Code, is amended by adding Section 252.0033 to read as follows:

Sec. 252.0033. CONTENTS OF APPOINTMENT BY POLITICAL COMMITTEES THAT SUPPORT OR OPPOSE BALLOT MEASURE. (a) In addition to the information required by Section 252.002, a campaign treasurer appointment by a political committee that supports or opposes a ballot measure must include an affidavit certifying that the committee, acting alone or jointly with, through, or on behalf of another person, did not receive direct or indirect funding from a foreign national, as defined by Section 253.201, for a preliminary activity in connection with the ballot measure.

(b) For purposes of this section, a preliminary activity in connection with a ballot measure includes:

(1) conducting a poll or focus group on the ballot measure;

(2) drafting sample ballot measure language;

(3) making telephone calls in relation to the ballot measure; or

(4) incurring travel expenses in relation to the ballot measure.

SECTION 3. Chapter 253, Election Code, is amended by adding Subchapter G to read as follows:

SUBCHAPTER G. RESTRICTIONS ON CONTRIBUTIONS, EXPENDITURES, AND RELATED ACTIVITIES INVOLVING POLITICAL COMMITTEES THAT SUPPORT OR OPPOSE BALLOT MEASURE

Sec. 253.201. DEFINITIONS. In this subchapter:

(1) "Directly or indirectly" means, with respect to an act by a person, the person acting alone or jointly with, through, or on behalf of another person.

(2) "Employment income" means salary, wages, allowances, overtime pay, pension, annuity, bonuses, or any other monetary income a person receives as compensation for employment or the provision of services.

(3) "Foreign national" means:

(A) an individual who is not a United States citizen or national;

(B) a government of a foreign country or of a political subdivision of a foreign country;

(C) a foreign political party;

(D) a person that is organized under the law of or has the person's principal place of business in a foreign country; and

(E) a person organized under the laws of the United States, including the laws of each state of the United States, that is wholly or mostly owned by a person described by Paragraph (A), (B), (C), or (D).

Sec. 253.202. APPLICABILITY. (a) A reference in this subchapter to a political committee means a political committee that supports or opposes a ballot measure.

(b) For purposes of this subchapter, a prohibition under

this chapter related to contributions from and expenditures by a foreign national that is a person described by Section 253.201(3)(E) does not apply if:

(1) the contribution or expenditure is derived entirely from money generated by the person's operations in the United States; and

(2) all decisions related to the contribution or expenditure are made by individuals who are United States citizens or nationals, except for decisions on setting overall budget amounts.

Sec. 253.203. PROHIBITED CONTRIBUTIONS AND EXPENDITURES; AFFIRMATION REQUIRED. (a) A political committee may not knowingly and directly or indirectly:

(1) solicit or accept a contribution from a foreign national;

(2) solicit or accept a contribution from a person that in the four years preceding the date on which the contribution is made knowingly accepted money, directly or indirectly and other than employment income, from one or more foreign nationals that in the aggregate exceeds \$100,000; or

(3) solicit a foreign national to make an expenditure on the committee's behalf.

(b) On receipt of a contribution by a political committee, the committee shall obtain from the person making the contribution a written affirmation that the person:

(1) is not a foreign national; and

(2) has not in the four years preceding the date on which the contribution is made knowingly accepted money other than employment income from one or more foreign nationals that in the aggregate exceeds \$100,000.

(c) For purposes of this section, a political committee that solicits or accepts a contribution from a foreign national and has accepted contributions from one or more foreign nationals that in the aggregate exceed \$100,000 during the preceding four-year period is presumed to have knowingly solicited or accepted the contribution in violation of Subsection (a).

Sec. 253.204. PROHIBITED CONDUCT BY FOREIGN NATIONALS RELATED TO CONTRIBUTIONS AND EXPENDITURES. (a) A foreign national may not direct, dictate, control, or directly or indirectly participate in a person's decision-making process with regard to influencing a ballot measure, including the person's decision to make a contribution or expenditure to influence a ballot measure.

(b) A foreign national may not directly or indirectly solicit the making by a person of a donation, contribution, or expenditure to influence a ballot measure.

Sec. 253.205. CERTIFICATION REQUIREMENTS RELATED TO CERTAIN CONTRIBUTIONS AND EXPENDITURES; CRIMINAL OFFENSE. (a) On the filing of a report required by Chapter 254 by a political committee or by a person that has made a direct campaign expenditure to support or oppose a ballot measure, the committee or the person shall certify to the commission, in the form and manner the commission requires, that the committee or person:

(1) has not in the four years preceding the date on which the expenditure was made knowingly accepted money other than employment income from one or more foreign nationals that in the aggregate exceeds \$100,000; and

(2) will not for the remainder of the year during which the ballot measure will appear on the ballot knowingly accept money other than employment income from one or more foreign nationals that in the aggregate exceeds \$100,000.

(b) A person commits an offense if the person violates this section. An offense under this section is a Class B misdemeanor.

(c) In addition to the penalty under Subsection (b), a person who violates this section is liable for a civil penalty in an amount not to exceed twice the amount of the contribution or expenditure for which the person failed to make a certification as required by this section.

Sec. 253.206. ENFORCEMENT. (a) The attorney general may bring a civil action to enforce this subchapter. In an action

brought under this section, the burden of proof is on the state.

(b) Before discovery in an action brought under this section, the court must hold a hearing to determine whether there is probable cause to believe that a person has violated this subchapter.

(c) If, after the hearing required by Subsection (b), the court determines that:

(1) probable cause does not exist to believe that a violation of this subchapter occurred, the court shall dismiss the action with prejudice; or

(2) probable cause exists to believe that a violation of this subchapter occurred, the court shall:

(A) enter an order stating the court's findings;

(B) resume the action; and

(C) cause the action to be expedited.

(d) After an affirmative finding under Subsection (c), a defendant may, at a time determined by the court and before the scheduling of a trial date, present evidence sufficient to rebut the probable cause finding by making an ex parte presentation of records to the court for in camera review.

(e) If the court determines that a political committee has accepted a contribution in violation of this subchapter, the committee shall, not later than the 30th day after the date of the court's determination, return to the person who made the contribution the contribution accepted in violation of this subchapter. If either party appeals the court's determination, the court shall order the contribution at issue to be placed in escrow pending the outcome of the appeal.

(f) A person who violates this subchapter is liable for a civil penalty in an amount not to exceed twice the amount of the contribution accepted or expenditure made in violation of this subchapter.

(g) If a political committee that was determined to have accepted a contribution in violation of this subchapter is financially unable to return all or part of the contribution as required by Subsection (e) or pay a civil penalty imposed under Subsection (f), the committee's directors, officers, and executive members are jointly and severally liable for returning the remaining part of the contribution or paying the civil penalty.

(h) In addition to the penalty under Subsection (f), the court shall issue injunctive relief to prevent a person that violates this subchapter from committing further violations of this subchapter or from aiding and abetting a violation of this subchapter. The attorney general may bring an action to enjoin a person who violates this subchapter from engaging in activities that would require registration as a lobbyist under Chapter 305, Government Code, for a period to be determined by the court. In determining the period to prohibit a person from engaging in those activities, the court shall consider:

(1) the seriousness of the violation, including the nature, circumstances, extent, and gravity of the violation;

(2) whether the person acted in bad faith when engaging in conduct constituting a violation of this subchapter;

(3) whether the person has previously violated this subchapter; and

(4) the duration of an injunction necessary to deter future violations.

Sec. 253.207. PROHIBITED DISCLOSURE OF CERTAIN DONORS; CRIMINAL OFFENSE. (a) In this section:

(1) "Nonprofit organization" means an organization exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

(2) "Public servant" has the meaning assigned by Section 1.07, Penal Code.

(b) An investigation of an alleged violation of this subchapter must be conducted in a manner to ensure that the identity of a person who makes a lawful donation to a nonprofit organization is kept confidential. The attorney general or a court may not

compel the disclosure of the identity of a person who makes a lawful donation to a nonprofit organization unless the disclosure is directly related to an alleged violation of this subchapter.

(c) A public servant may not disclose to the public the identity of a person who makes a lawful donation to a nonprofit organization unless the person is determined to have violated this subchapter.

(d) A person commits an offense if the person is a public servant and the person violates this section. An offense under this section is a Class A misdemeanor.

(e) For the purposes of this section, a person is determined to have violated this subchapter if a court has entered an order finding that the person has violated this subchapter.

SECTION 4. Subchapter E, Chapter 254, Election Code, is amended by adding Section 254.131 to read as follows:

Sec. 254.131. ADDITIONAL CONTENTS OF REPORTS OF POLITICAL COMMITTEES THAT SUPPORT OR OPPOSE BALLOT MEASURE. (a) In this section, "directly or indirectly" and "foreign national" have the meanings assigned by Section 253.201.

(b) In addition to the contents required by Section 254.031, the campaign treasurer of a political committee that supports or opposes a ballot measure must include an affirmation that:

(1) the committee did not knowingly and directly or indirectly:

(A) solicit or accept a contribution from a foreign national; or

(B) solicit a foreign national to make an expenditure on the committee's behalf; and

(2) no contribution included in the report was made by:

(A) a foreign national; or

(B) a person that in the four years preceding the date on which the contribution is made knowingly accepted money, directly or indirectly and other than employment income, from one or more foreign nationals that in the aggregate exceeds \$100,000.

SECTION 5. The changes in law made by this Act to Chapters 252 and 254, Election Code, apply only to a campaign treasurer appointment required to be filed under Chapter 252 or a report required to be filed under Chapter 254 on or after the effective date of this Act. A campaign treasurer appointment or report required to be filed before the effective date of this Act is governed by the law in effect at the time the appointment or report was filed, and the former law is continued in effect for that purpose.

SECTION 6. Subchapter G, Chapter 253, Election Code, as added by this Act, applies only to a contribution or expenditure made or an activity related to the making of a contribution or expenditure that occurs on or after the effective date of this Act. A contribution or expenditure made or a related activity that occurs before the effective date of this Act is governed by the law in effect at the time the contribution or expenditure was made or the activity occurred, and the former law is continued in effect for that purpose.

SECTION 7. This Act takes effect September 1, 2025.

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