

SUBJECT: Allowing corporate charitable match solicitation programs

COMMITTEE: Elections — committee substitute recommended

VOTE: 9 ayes — Klick, Cortez, Bucy, Burrows, Cain, Fierro, Israel, Middleton, Swanson

0 nays

WITNESSES: For — Alan Vera, Harris County Republican Party Ballot Security Committee; Hugo Gutierrez, Marathon Oil Company; Claudia Kreisle and Edward Thayer, Phillips 66; (*Registered, but did not testify*: Lindsey Miller, Anadarko Petroleum; Michael Lozano, Permian Basin Petroleum Association; Beth Cubriel, Plains All American Pipeline; Ryan Paylor, Texas Independent Producers and Royalty Owners Association; Daniel Gonzalez, Texas REALTORS; Russell Hayter; Ed Johnson; Justin Richardson; John Robertson; Bill Sargent)

Against — Dave Jones, Clean Elections Texas; (*Registered, but did not testify*: Anthony Gutierrez, Common Cause Texas; Joanne Richards, Common Ground for Texans; Bay Scoggin, Texas Public Interest Research Group)

On — Lon Burnam, Public Citizen; Glen Maxey, Texas Democratic Party

BACKGROUND: Election Code sec. 251.001 defines general-purpose committees as political committees that:

- support or oppose two or more candidates who are unidentified or are seeking offices that are unknown;
- support or oppose one or more unidentified measures; or
- assist two or more officeholders who are unidentified.

Sec. 253.100 allows corporations, acting alone or with other corporations, to make political expenditures to finance the establishment or administration of general-purpose committees. Corporations also may

make political expenditures to finance the solicitation of political contributions to a general-purpose committee from stockholders, employees, and their families.

DIGEST: CSHB 3044 would allow corporations to make fully or partially matching contributions to a nonprofit organization that was exempt from federal income tax in order to finance the solicitation of political contributions to a general-purpose committee from the corporations' stockholders, employees, and their families.

The bill would take effect September 1, 2019.

SUPPORTERS SAY: CSHB 3044 would align charitable match solicitation program practices in Texas with federal practices. The bill also would increase the participation of stockholders, employees, and their families in corporations' political committees while generating more money for charity. Employees and stockholders would have complete discretion over where their money would go.

OPPONENTS SAY: CSHB 3044 could allow corporations to covertly work with employees and stockholders to bypass certain laws that prevent corporations from making direct political contributions. Charitable donations should not be used as a vehicle for corporations to enhance their political power.