

BILL ANALYSIS

Senate Research Center
76R11394 ESH-D

S.B. 1865
By: Harris
State Affairs
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As Filed

DIGEST

Currently, there is considerable public dissatisfaction with certain aspects of campaign finance practices. S.B. 1865 would regulate political contributions and political expenditures by certain entities.

PURPOSE

As proposed, S.B. 1865 revises the Election Code by adding Subchapter G, regarding restrictions on political contributions and expenditures in connection with executive and legislative offices.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 251.001(15), Election Code, to redefine "out-of-state political committee."

SECTION 2. Amends Chapter 253, Election Code, by adding Subchapter G, as follows:

SUBCHAPTER G. RESTRICTIONS ON POLITICAL CONTRIBUTIONS AND EXPENDITURES IN CONNECTION WITH EXECUTIVE AND LEGISLATIVE OFFICES

Sec. 253.201. **APPLICABILITY OF SUBCHAPTER.** Provides that this subchapter applies only to a political contribution or political expenditure in connection with a statewide office other than judicial office, the office of state senator, the office of state representative, or the office of member, State Board of Education.

Sec. 253.202. **LIMIT ON CONTRIBUTION BY CHILD.** Provides that a child may not knowingly make or authorize political contributions to a candidate or officeholder that, in connection with each election in which the candidate or officeholder is involved, in the aggregate exceed \$100. Provides that a person may not knowingly accept a political contribution, and shall refuse a political contribution that is received, in violation of Subsection (a). Defines "child."

Sec. 253.203. **NOTICE REQUIRED FOR CERTAIN CONTRIBUTIONS AND EXPENDITURES.** Prohibits a person other than the principal political committee of the state executive committee or a county executive committee of a political party from making a political contribution that exceeds \$5,000 or a direct campaign expenditure for the purpose of supporting or opposing one or more candidates that exceeds \$5,000 unless the person files with the Texas Ethics Commission (commission) and, if applicable, each candidate whom the expenditure benefits a written declaration of the person's intent to make the contribution or expenditure before the contribution or expenditure is made. Requires the declaration to include the amount of the contribution or expenditure. Requires the commission to file a declaration received under Subsection (a) with the records of the candidate to whom the political contribution is made or each candidate whom the direct campaign expenditure benefits. Requires the commission to make the information contained in the declaration easily accessible on the commission's Internet site, or deliver a copy of the declaration by telephonic facsimile machine or overnight mail to each candidate who opposes the candidate to whom the contribution is made or whom the expenditure benefits, no later than 24 hours after receiving a declaration under Subsection (a). Provides that a direct campaign expenditure that opposes a candidate is considered to benefit each candidate for the office other than the opposed candidate, for purposes of this section. Authorizes a political

expenditure made by a political committee or other association that consists only of costs incurred in contacting the committee's or association's dues-paying membership to be made without the declaration required by Subsection (a).

SECTION 3. Amends Chapter 254C, Election Code, by adding Section 254.0612, as follows:

Sec. 254.0612. **ADDITIONAL CONTENTS OF REPORTS BY CANDIDATES FILING WITH COMMISSION.** Provides that, in addition to the contents required by Sections 254.031, 254.061, and, if applicable, 254.0611, each report by a candidate who is required to file reports with the commission shall include, for each political committee from which the candidate accepts a political contribution and receives notice under Section 254.1281 or 254.1611, the full name, address, principal occupation, and employer of each person who, since the January 1 preceding the most recent general election for state and county officers, has made political contributions to that committee that in the aggregate exceed \$5,000 in any 12-month period. Requires the candidate's report to include, if applicable, the information required by Subsection (a) as to political contributions to that committee, if a person making political contributions described by Subsection (a) is a political committee.

SECTION 4. Amends Chapter 254D, Election Code, by adding Section 254.0912, as follows:

Sec. 254.0912. **ADDITIONAL CONTENTS OF REPORTS BY OFFICEHOLDERS FILING WITH COMMISSION.** Provides that, in addition to the contents required by Sections 254.031, 254.091, and, if applicable, 254.0911, each report by an officeholder who is required to file reports with the commission shall include, for each political committee from which the officeholder accepts a political contribution and receives notice under Sections 254.1281 or 254.1611, the full name, address, principal occupation, and employer of each person who, since the January 1 preceding the most recent general election for state and county officers, has made political contributions to that committee that in the aggregate exceed \$5,000 in any 12-month period. Requires the officeholder's report to include, if applicable, the information required by Subsection (a) as to political contributions to that committee, if a person making political contributions described by Subsection (a) is a political committee.

SECTION 5. Amends Chapter 254E, Election Code, by adding Section 254.1281, as follows:

Sec. 254.1281. **NOTICE TO CERTAIN CANDIDATES AND OFFICEHOLDERS OF CONTRIBUTIONS.** Requires the committee's campaign treasurer to deliver written notice to the affected candidate or officeholder that includes the full name, address, principal occupation, and employer of each person who, since January 1 preceding the most recent general election for state and county officers, has made political contributions to the committee that in the aggregate exceed \$5,000 in any 12-month period, if a specific-purpose committee makes a political contribution to a candidate or officeholder who is required to file reports with the commission. Requires the notice to be delivered with the political contribution. Requires the campaign treasurer to indicate that fact in the notice, if no person has made political contributions described by Subsection (a) to the political committee since the January 1 preceding the most recent general election for state and county officers. Requires the notice to include the full name and address of the political committee and its campaign treasurer and an indication that the committee is a specific-purpose committee. Provides that a campaign treasurer commits an offense if the campaign treasurer fails to comply with this section. Provides that an offense under this section is a Class C misdemeanor.

SECTION 6. Amends Chapter 254F, Election Code, by adding Section 254.1611, as follows:

Sec. 254.1611. **NOTICE TO CERTAIN CANDIDATES AND OFFICEHOLDERS OF CONTRIBUTIONS.** Requires the committee's campaign treasurer to deliver written notice to the affected candidate or officeholder as provided by Section 254.1281 for a specific-purpose committee, if a general-purpose committee other than the principal committee of the state executive committee or a county executive committee of a political party makes a political contribution to a candidate or officeholder who is required to file reports with the commission.

SECTION 7. Effective date: September 1, 1999.

SECTION 8. Makes application of this Act prospective.

SECTION 9. Emergency clause.