

BILL ANALYSIS

Senate Research Center
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S.B. 1445
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The purpose of this legislation is to amend inconsistencies in Texas campaign finance law pertaining to reporting and disclosure requirements for certain political contributions and expenditures.

The Texas Ethics Commission (TEC) identified several gaps or inconsistencies in the reporting requirements for certain political contributions and expenditures. Codification of these recommendations will strengthen the Texas campaign finance reporting scheme by ensuring that all relevant contributions and expenditures are disclosed and reported accurately.

The legislation requires that political contributions that are accepted but not deposited in an account be included in the amount reported as the political contributions maintained total. The legislation also requires disclosure of the investments purchased with political contributions and the liquidation of those investments.

As proposed, S.B. 1445 amends current law relating to the contents of reports of political contributions and expenditures.

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 Section 254.031(a), Election Code, as follows:

(a) Requires each report filed under this chapter, except as otherwise provided by this chapter, to include:

(1) the amount of political contributions from each person that in the aggregate exceed \$50 and that are accepted during the reporting period by the person or committee required to file a report under this chapter, the full name and address of the person making the contributions, and the dates of the contributions;

(2) the amount of loans that are made during the reporting period for campaign or officeholder purposes to the person or committee required to file the report and that in the aggregate exceed \$50, the dates the loans are made, the interest rate, the maturity date, the type of collateral for the loans, if any, the full name and address of the person or financial institution making the loans, the full name and address, principal occupation, and name of the employer of each guarantor of the loans, the amount of the loans guaranteed by each guarantor, and the aggregate principal amount of all outstanding loans as of the last day of the reporting period;

(3) the amount of political expenditures that in the aggregate exceed \$50 and that are made during the reporting period, the full name and address of the persons to whom the expenditures are made, and the dates and purposes of the expenditures;

- (4) the amount of each payment made during the reporting period from a political contribution if the payment is not a political expenditure, the full name and address of the person to whom the payment is made, and the date and purpose of the payment;
- (5) the total amount or a specific listing of the political contributions of \$50 or less accepted and the total amount or a specific listing of the political expenditures of \$50 or less made during the reporting period;
- (6) the total amount of all political contributions accepted and the total amount of all political expenditures made during the reporting period;
- (7) the name of each candidate or officeholder who benefits from a direct campaign expenditure made during the reporting period by the person or committee required to file the report, and the office sought or held, excluding a direct campaign expenditure that is made by the principal political committee of a political party on behalf of a slate of two or more nominees of that party;
- (8) as of the last day of a reporting period for which the person is required to file a report, the total amount of political contributions accepted, including interest or other income on those contributions, that are maintained or held with the intention of being deposited in one or more accounts, rather than maintained in one or more accounts, in which political contributions are deposited as of the last day of the reporting period;
- (9) the purchase price of an investment purchased during the reporting period with money received as a political contribution or as interest earned on political contributions; and
- (10) a statement of whether a sale was made, and the amount of any proceeds received from the sale, during the reporting period of an investment purchased with money received as a political contribution or as interest earned on political contributions.

SECTION 2. Amends Section 254.0611(a), Election Code, as follows:

(a) Requires each report by a candidate for a judicial office covered by Subchapter F (Judicial Campaign Fairness Act), Chapter 253 (Restrictions on Contributions and Expenditures), in addition to the contents required by Sections 254.031 (General Contents of Reports) and 254.061 (Additional Contents of Reports), to include:

- (1) for each individual from whom the person filing the report has accepted political contributions that in the aggregate exceed \$50 and that are accepted during the reporting period the principal occupation and job title of the individual and the full name of the employer of the individual or of the law firm of which the individual or the individual's spouse is a member, if any; or if the individual is a child, the full name of the law firm of which either of the individual's parents is a member, if any. Deletes existing text requiring each report include the total amount of political contributions, including interest or other income, maintained in one or more accounts in which political contributions are deposited as of the last day of the reporting period;
- (2) a specific listing of each asset valued at \$500 or more that was purchased with political contributions and on hand as of the last day of the reporting period;
- (3) for each political contribution accepted by the person filing the report but not received as of the last day of the reporting period the full name and address of the person making the contribution, the amount of the contribution and the date of the contribution; and

(4) for each outstanding loan to the person filing the report as of the last day of the reporting period the full name and address of the person or financial institution making the loan; and the full name and address of each guarantor of the loan other than the candidate.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: September 1, 2011.