Amend the floor substitute to CSHB 1606 by inserting the following new sections, appropriately numbered, and renumbering the subsequent sections accordingly:

SECTION \_\_\_. Section 253.042(b), Election Code, is amended to read as follows:

(b) A candidate or officeholder who accepts one or more political contributions in the form of loans, including an extension of credit or a guarantee of a loan or extension of credit, from one or more persons related to the candidate or officeholder within the second degree by affinity or consanguinity may not use political contributions to repay the loans in amounts that in the aggregate exceed the amount prescribed by Subsection (a). A candidate or officeholder may not use political contributions, in amounts that in the aggregate exceed the amount prescribed by Subsection (a), to repay any other loan or extension of credit that the candidate or officeholder guarantees.

SECTION \_\_. Section 253.162, Election Code, is amended by amending Subsections (b) and (c) and adding Subsection (b-1) to read as follows:

- (b) A judicial candidate or officeholder <u>may not:</u>
- (1) use political contributions to repay a loan [who accepts one or more political contributions in the form of loans], including an extension of credit or a guarantee of a loan or extension of credit, from one or more persons related to the candidate or officeholder within the second degree by consanguinity, as determined under [Subchapter B,] Chapter 573, Government Code; or
- (2) use political contributions, in amounts that in the aggregate exceed the amount prescribed by Subsection (a), to repay any other loan or extension of credit that the candidate or officeholder guarantees[, may not use political contributions to repay the loans].
- (b-1) The total amount of both reimbursements under Subsection (a) and repayments under Subsection (b)(2) made by a candidate or officeholder may not exceed the amount prescribed by Subsection (a).
  - (c) A person who is both a candidate and an officeholder may

reimburse the person's personal funds <u>or repay loans from political</u> <u>contributions</u> only in one capacity.

SECTION \_\_. Sections 253.042(b) and 253.162, Election Code, as amended by this Act, apply only to repayment of a loan or extension of credit made on or after September 1, 2003. The repayment of a loan or extension of credit made before September 1, 2003, is governed by the law in effect on the date the loan or extension of credit is made, and the former law is continued in effect for that purpose.