

1-1 By: Leach, et al. (Senate Sponsor - Hughes) H.B. No. 2586
1-2 (In the Senate - Received from the House May 7, 2019;
1-3 May 8, 2019, read first time and referred to Committee on State
1-4 Affairs; May 10, 2019, rereferred to Committee on Administration;
1-5 May 13, 2019, reported favorably by the following vote: Yeas 5,
1-6 Nays 0; May 13, 2019, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	Hughes	X		
1-10	Fallon	X		
1-11	Huffman		X	
1-12	Johnson	X		
1-13	Menéndez	X		
1-14	Nichols		X	
1-15	Zaffirini	X		

1-16 A BILL TO BE ENTITLED
1-17 AN ACT

1-18 relating to political contributions and political expenditures
1-19 made to or by political committees or other persons.

1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-21 SECTION 1. Section 251.001, Election Code, is amended by
1-22 amending Subdivisions (8) and (12) and adding Subdivision (21) to
1-23 read as follows:

1-24 (8) "Direct campaign expenditure" means a campaign
1-25 expenditure that does not constitute a campaign contribution by the
1-26 person making the expenditure. A campaign expenditure does not
1-27 constitute a contribution by the person making the expenditure to a
1-28 candidate or officeholder if the expenditure is made without the
1-29 prior consent or approval of the candidate or officeholder on whose
1-30 behalf the expenditure is made. A campaign expenditure made in
1-31 connection with a measure does not constitute a contribution by the
1-32 person making the expenditure if it is not made as a political
1-33 contribution to a political committee supporting or opposing the
1-34 measure.

1-35 (12) "Political committee" means two or more ~~[a group~~
1-36 ~~of]~~ persons acting in concert with ~~[that has as]~~ a principal purpose
1-37 of accepting political contributions or making political
1-38 expenditures. The term does not include a group composed
1-39 exclusively of two or more individual filers or political
1-40 committees required to file reports under this title who make
1-41 reportable expenditures for a joint activity.

1-42 (21) "In-kind contribution" means a contribution of
1-43 goods, services, or any other thing of value that is not money, and
1-44 includes an agreement made or other obligation incurred, whether
1-45 legally enforceable or not, to make the contribution. The term does
1-46 not include a direct campaign expenditure.

1-47 SECTION 2. Subchapter A, Chapter 251, Election Code, is
1-48 amended by adding Sections 251.0015 and 251.0016 to read as
1-49 follows:

1-50 Sec. 251.0015. COMMUNICATION WITH CANDIDATE. For purposes
1-51 of Section 251.001(8), communication between a person and a
1-52 candidate, officeholder, or candidate's or officeholder's agent is
1-53 not evidence that the person obtained the candidate's or
1-54 officeholder's consent or approval for a campaign expenditure made
1-55 after the communication by the person on behalf of the candidate or
1-56 officeholder unless the communication establishes that:

1-57 (1) the expenditure is incurred at the request or
1-58 suggestion of the candidate, officeholder, or candidate's or
1-59 officeholder's agent;

1-60 (2) the candidate, officeholder, or candidate's or
1-61 officeholder's agent is materially involved in decisions regarding

2-1 the creation, production, or distribution of a campaign
 2-2 communication related to the expenditure; or

2-3 (3) the candidate, officeholder, or candidate's or
 2-4 officeholder's agent shares information about the candidate's or
 2-5 officeholder's plans or needs that is:

2-6 (A) material to the creation, production, or
 2-7 distribution of a campaign communication related to the
 2-8 expenditure; and

2-9 (B) not available to the public.

2-10 Sec. 251.0016. COMMON VENDOR. A person using the same
 2-11 vendor as a candidate, officeholder, or political committee
 2-12 established or controlled by a candidate or officeholder is not
 2-13 acting in concert with the candidate, officeholder, or committee to
 2-14 make a campaign expenditure unless the person makes the expenditure
 2-15 using information from the vendor about the campaign plans or needs
 2-16 of the candidate, officeholder, or committee that is:

2-17 (1) material to the expenditure; and

2-18 (2) not available to the public.

2-19 SECTION 3. Section 252.003, Election Code, is amended by
 2-20 amending Subsection (a) and adding Subsection (a-1) to read as
 2-21 follows:

2-22 (a) In addition to the information required by Section
 2-23 252.002, a campaign treasurer appointment by a general-purpose
 2-24 committee must include:

2-25 (1) the full name, and any acronym of the name that
 2-26 will be used in the name of the committee as provided by Subsection
 2-27 (d), of each corporation, labor organization, or other association
 2-28 or legal entity that directly establishes, administers, or controls
 2-29 the committee, if applicable, or the name of each person who
 2-30 determines to whom the committee makes contributions or the name of
 2-31 each person who determines for what purposes the committee makes
 2-32 expenditures;

2-33 (2) the full name and address of each general-purpose
 2-34 committee to whom the committee intends to make political
 2-35 contributions; ~~and~~

2-36 (3) the name of the committee and, if the name is an
 2-37 acronym, the words the acronym represents; and

2-38 (4) before the committee may use a political
 2-39 contribution from a corporation or a labor organization to make a
 2-40 direct campaign expenditure in connection with a campaign for an
 2-41 elective office, an affidavit stating that:

2-42 (A) the committee is not established or
 2-43 controlled by a candidate or an officeholder; and

2-44 (B) the committee will not use any political
 2-45 contribution from a corporation or a labor organization to make a
 2-46 political contribution to:

2-47 (i) a candidate for elective office;

2-48 (ii) an officeholder; or

2-49 (iii) a political committee that has not
 2-50 filed an affidavit under this subdivision or Section
 2-51 252.0031(a)(2).

2-52 (a-1) Filing an affidavit under Subsection (a)(4) does not
 2-53 create any additional reporting requirements under Section
 2-54 254.261.

2-55 SECTION 4. Section 252.0031, Election Code, is amended by
 2-56 amending Subsection (a) and adding Subsections (a-1) and (a-2) to
 2-57 read as follows:

2-58 (a) In addition to the information required by Section
 2-59 252.002, a campaign treasurer appointment by a specific-purpose
 2-60 committee for supporting or opposing a candidate for an office
 2-61 specified by Section 252.005(1) must include:

2-62 (1) the name of and the office sought by the candidate;
 2-63 and

2-64 (2) before the committee may use a political
 2-65 contribution from a corporation or a labor organization to make a
 2-66 direct campaign expenditure in connection with a campaign for an
 2-67 elective office, an affidavit stating that:

2-68 (A) the committee is not established or
 2-69 controlled by a candidate or an officeholder; and

3-1 (B) the committee will not use any political
 3-2 contribution from a corporation or a labor organization to make a
 3-3 political contribution to:

- 3-4 (i) a candidate for elective office;
- 3-5 (ii) an officeholder; or
- 3-6 (iii) a political committee that has not
 3-7 filed an affidavit under this subdivision or Section 252.003(a)(4).

3-8 (a-1) If the ~~that~~ information required to be provided
 3-9 under Subsection (a) changes, the committee shall immediately file
 3-10 an amended appointment reflecting the change.

3-11 (a-2) Filing an affidavit under Subsection (a)(2) does not
 3-12 create any additional reporting requirements under Section
 3-13 254.261.

3-14 SECTION 5. Subchapter D, Chapter 253, Election Code, is
 3-15 amended by adding Section 253.097 to read as follows:

3-16 Sec. 253.097. CONTRIBUTION FROM CORPORATION OR LABOR
 3-17 ORGANIZATION. A corporation or labor organization may make
 3-18 campaign contributions from its own property to a political
 3-19 committee that has filed an affidavit with the committee's campaign
 3-20 treasurer appointment in accordance with Section 252.003(a)(4) or
 3-21 252.0031(a)(2).

3-22 SECTION 6. Sections 253.100(a) and (e), Election Code, are
 3-23 amended to read as follows:

3-24 (a) A corporation, acting alone or with one or more other
 3-25 corporations, may make one or more political expenditures to
 3-26 finance the establishment or administration of a general-purpose
 3-27 committee. In addition to any other expenditure that is considered
 3-28 permissible under this section, a corporation may make an
 3-29 expenditure for the maintenance and operation of a general-purpose
 3-30 committee, including an expenditure for:

- 3-31 (1) office space maintenance and repairs;
- 3-32 (2) telephone and Internet services;
- 3-33 (3) office equipment;
- 3-34 (4) utilities;
- 3-35 (5) general office and meeting supplies;
- 3-36 (6) salaries for routine clerical, data entry, and
 3-37 administrative assistance necessary for the proper administrative
 3-38 operation of the committee;
- 3-39 (7) legal and accounting fees for the committee's
 3-40 compliance with this title;
- 3-41 (8) routine administrative expenses incurred in
 3-42 establishing and administering a general-purpose political
 3-43 committee;
- 3-44 (9) management and supervision of the committee,
 3-45 including expenses incurred in holding meetings of the committee's
 3-46 governing body to interview candidates and make endorsements
 3-47 relating to the committee's support;
- 3-48 (10) the recording of committee decisions;
- 3-49 (11) expenses incurred in hosting candidate forums in
 3-50 which all candidates for a particular office in an election are
 3-51 invited to participate on the same terms; ~~or~~
- 3-52 (12) expenses incurred in preparing and delivering
 3-53 committee contributions; or
- 3-54 (13) creation and maintenance of the committee's
 3-55 public Internet web pages that do not contain political
 3-56 advertising.

3-57 (e) Subsection (d) does not apply to a corporation or labor
 3-58 organization making a campaign contribution to a political
 3-59 committee under Section 253.097 or an expenditure to communicate
 3-60 with its stockholders or members, as applicable, or with the
 3-61 families of its stockholders or members as provided by Section
 3-62 253.098.

3-63 SECTION 7. Section 253.101, Election Code, is amended by
 3-64 adding Subsection (a-1) to read as follows:

3-65 (a-1) Subsection (a) does not prohibit a political
 3-66 committee from making a political contribution or political
 3-67 expenditure wholly or partly from a campaign contribution made by a
 3-68 corporation or labor organization to the political committee under
 3-69 Section 253.096 or 253.097.

4-1 SECTION 8. The change in law made by this Act applies only
4-2 to an offense committed on or after the effective date of this Act.
4-3 An offense committed before the effective date of this Act is
4-4 governed by the law in effect on the date the offense was committed,
4-5 and the former law is continued in effect for that purpose. For
4-6 purposes of this section, an offense was committed before the
4-7 effective date of this Act if any element of the offense occurred
4-8 before that date.

4-9 SECTION 9. This Act takes effect September 1, 2019.

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