

1-1 By: Hughes S.B. No. 1980
1-2 (In the Senate - Filed March 7, 2019; March 19, 2019, read
1-3 first time and referred to Committee on State Affairs; May 2, 2019,
1-4 reported adversely, with favorable Committee Substitute by the
1-5 following vote: Yeas 8, Nays 0; May 2, 2019, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	Huffman	X		
1-9	Hughes	X		
1-10	Birdwell	X		
1-11	Creighton		X	
1-12	Fallon	X		
1-13	Hall	X		
1-14	Lucio	X		
1-15	Nelson	X		
1-16	Zaffirini	X		

1-17 COMMITTEE SUBSTITUTE FOR S.B. No. 1980 By: Hughes

1-18 A BILL TO BE ENTITLED
1-19 AN ACT

1-20 relating to political contributions and political expenditures
1-21 made to or by political committees or other persons.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-23 SECTION 1. Section 251.001, Election Code, is amended by
1-24 amending Subdivisions (8) and (12) and adding Subdivision (21) to
1-25 read as follows:

1-26 (8) "Direct campaign expenditure" means a campaign
1-27 expenditure that does not constitute a campaign contribution by the
1-28 person making the expenditure. A campaign expenditure does not
1-29 constitute a contribution by the person making the expenditure to a
1-30 candidate or officeholder if the expenditure is made without the
1-31 prior consent or approval of the candidate or officeholder on whose
1-32 behalf the expenditure is made. A campaign expenditure made in
1-33 connection with a measure does not constitute a contribution by the
1-34 person making the expenditure if it is not made as a political
1-35 contribution to a political committee supporting or opposing the
1-36 measure.

1-37 (12) "Political committee" means two or more ~~[a group~~
1-38 ~~of]~~ persons acting in concert with [that has as] a principal purpose
1-39 of accepting political contributions or making political
1-40 expenditures. The term does not include a group composed
1-41 exclusively of two or more individual filers or political
1-42 committees required to file reports under this title who make
1-43 reportable expenditures for a joint activity.

1-44 (21) "In-kind contribution" means a contribution of
1-45 goods, services, or any other thing of value that is not money, and
1-46 includes an agreement made or other obligation incurred, whether
1-47 legally enforceable or not, to make the contribution. The term does
1-48 not include a direct campaign expenditure.

1-49 SECTION 2. Subchapter A, Chapter 251, Election Code, is
1-50 amended by adding Sections 251.0015 and 251.0016 to read as
1-51 follows:

1-52 Sec. 251.0015. COMMUNICATION WITH CANDIDATE. For purposes
1-53 of Section 251.001(8), communication between a person and a
1-54 candidate, officeholder, or candidate's or officeholder's agent is
1-55 not evidence that the person obtained the candidate's or
1-56 officeholder's consent or approval for a campaign expenditure made
1-57 after the communication by the person on behalf of the candidate or
1-58 officeholder unless the communication establishes that:

1-59 (1) the expenditure is incurred at the request or
1-60 suggestion of the candidate, officeholder, or candidate's or

officeholder's agent;

(2) the candidate, officeholder, or candidate's or officeholder's agent is materially involved in decisions regarding the creation, production, or distribution of a campaign communication related to the expenditure; or

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

(A) material to the creation, production, or distribution of a campaign communication related to the expenditure; and

(B) not available to the public.

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

(1) material to the expenditure; and

(2) not available to the public.

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

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

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

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

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

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

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

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

(i) a candidate for elective office;

(ii) an officeholder; or

(iii) a political committee that has not filed an affidavit under this subdivision or Section

252.0031(a)(2).

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

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

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

(1) the name of and the office sought by the candidate; and

(2) before the committee may use a political contribution from a corporation or a labor organization to make a direct campaign expenditure in connection with a campaign for an

elective office, an affidavit stating that:

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

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

(i) a candidate for elective office;

(ii) an officeholder; or

(iii) a political committee that has not filed an affidavit under this subdivision or Section 252.003(a)(4).

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

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

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

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

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

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

(1) office space maintenance and repairs;

(2) telephone and Internet services;

(3) office equipment;

(4) utilities;

(5) general office and meeting supplies;

(6) salaries for routine clerical, data entry, and administrative assistance necessary for the proper administrative operation of the committee;

(7) legal and accounting fees for the committee's compliance with this title;

(8) routine administrative expenses incurred in establishing and administering a general-purpose political committee;

(9) management and supervision of the committee, including expenses incurred in holding meetings of the committee's governing body to interview candidates and make endorsements relating to the committee's support;

(10) the recording of committee decisions;

(11) expenses incurred in hosting candidate forums in which all candidates for a particular office in an election are invited to participate on the same terms; ~~[or]~~

(12) expenses incurred in preparing and delivering committee contributions; or

(13) creation and maintenance of the committee's public Internet web pages that do not contain political advertising.

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

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

(a-1) Subsection (a) does not prohibit a political committee from making a political contribution or political

expenditure wholly or partly from a campaign contribution made by a corporation or labor organization to the political committee under Section 253.096 or 253.097.

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

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

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