

SUBJECT: Reporting political contributions and expenditures made near an election

COMMITTEE: Elections — committee substitute recommended

VOTE: 5 ayes — Berman, Bohac, England, Anchia, Burnam

0 nays

2 absent — Farias, C. Howard

SENATE VOTE: On final passage, March 29 — 30-0

WITNESSES: For — Teri Sperry, True Courage Action Network; (*Registered, but did not testify*: Ken Bailey, Texas Democratic Party; Mary Finch, The League of Women Voters of Texas)

Against — None

BACKGROUND: Election Code, ch. 254 governs the reporting of political contributions and expenditures. Sec. 254.039 requires a special report from general-purpose committees near an election. A general-purpose committee that makes direct campaign expenditures supporting or opposing either a single candidate that in the aggregate exceed \$1,000, or a group of candidates that in the aggregate exceed \$15,000, during the period beginning the ninth day before an election and ending at 12 noon on the second day before election day must file a report electronically, by telegram or by FAX machine, or by hand. The Texas Ethics Commission (TEC) must receive the report no later than 48 hours after the expenditure is made. The report must contain the amount of the expenditure, the full name and address of those to whom the expenditures are made, and the dates and purposes of those expenditures.

DIGEST: CSSB 64 would require a general-purpose committee to file additional reports during the period beginning the ninth day before election day and ending at 12 noon on the day before election day if the committee accepted political contributions from a person that in the aggregate exceeded \$5,000 during that reporting period. The same time frame would apply to a report due when the committee made direct campaign

expenditures supporting or opposing either a single candidate that in the aggregate exceeded \$1,000 or a group of candidates that in the aggregate exceeded \$15,000.

The special reports of contributions or expenditures would have to be received by the TEC no later than 5 p.m. of the first business day after the date the contribution was accepted. The TEC would have authority to determine if a special report required under the provisions of the bill was filed late.

Special reports of political contributions from a person that exceeded an aggregate of \$5,000 would have to include the amount of the contribution, the full name and address of the person, and the date the person made the contribution.

The reporting of political contributions accepted before September 1, 2007, would be governed by the laws in effect on the date the contribution was accepted. A political report that is required by ch. 254 to be filed before the effective date of the bill would be governed by the law in effect on the date the report is required to be filed.

The bill would take effect September 1, 2007.

**SUPPORTERS  
SAY:**

CSSB 64 would put general-purpose committees on the same schedule for campaign reporting during the final days before an election as candidates and their specific-purpose committees in reporting large, last-minute contributions. The bill would provide for greater transparency and accountability of the role of money in Texas campaigns by requiring general-purpose committees to file special reports – also referred to as telegram reports – to report large contributions accepted during the last days before an election, just as candidates and their political committees are required to do. These contributions normally are not disclosed until the January 15 report, long after the election.

Small political committees would not be over-burdened by the requirements of the bill because small committees normally would not receive contributions large enough to trigger special reporting. If a small committee received or spent an unusually large amount late in the election, then the special reporting requirement would be especially justified.

OPPONENTS  
SAY:

This bill would add one more type of reporting that small political committees could find onerous because of the potential for heavy penalties for filing late reports.

NOTES:

The Senate-passed version of the bill would require that only reports of contributions be received by the Texas Ethics Commission by 5 p.m. of the first business day after a contribution was accepted. The House committee substitute would apply this reporting requirement to both when a large contribution covered by the bill was accepted and when a large expenditure was made.

According to the fiscal note, the bill would cost \$22,000 in fiscal 2008 for the Texas Ethics Commission to modify its reporting program and software.