

- SUBJECT:** Requiring reporting of certain political contributions
- COMMITTEE:** Elections — favorable, without amendment
- VOTE:** 8 ayes — Danburg, J. Jones, Denny, Gallego, Hodge, Madden, Sadler, Wilson
0 nays
1 absent — Truitt
- WITNESSES:** For — *Registered but did not testify:* Ken Whalen, Texas Daily Newspaper Association and Texas Press Association; Suzy Woodford, Common Cause of Texas
Against — None
- BACKGROUND:** Under Election Code, sec. 254.038, the following persons must file reports within 48 hours after accepting certain campaign contributions during the period beginning the ninth day before election day and ending at noon on the second day before election day:
- ! a candidate for state senator who has an opponent whose name will appear on the ballot and who accepts contributions that in the aggregate exceed \$1,000 during that reporting period;
 - ! a specific-purpose committee supporting or opposing a candidate for state senator that accepts political contributions that in the aggregate exceed \$1,000 during that period;
 - ! a candidate for state representative who has an opponent whose name will appear on the ballot and who accepts political contributions that in the aggregate exceed \$200 during that reporting period; and
 - ! a specific-purpose committee supporting or opposing a candidate for state representative that accepts political contributions that in the aggregate exceed \$200 during that period.
- Political committees are designated as either general-purpose or specific-purpose. General-purpose committees are not established to support or oppose identified or specific candidates or measures, but can support or oppose as many candidates or measures as they wish. A specific-purpose

committee supports or opposes identified candidates or measures. Either type of committee can make direct campaign expenditures — also called independent expenditures — on behalf of, but not coordinated with, a candidate's campaign.

DIGEST: HB 407 would require candidates for statewide office who have opponents whose names are to appear on the ballot, and the specific-purpose committees that support or oppose them, who accept contributions during the period beginning the ninth day before election day and ending at noon on the second day before election day to file a report within 48 hours if the contributions in the aggregate exceeded \$1,000 during that reporting period.

This bill would take effect September 1, 2001, and would apply only to political contributions accepted on or after that date.

SUPPORTERS SAY: HB 407 would expand disclosure requirements by bringing statewide candidates under the same late-reporting requirements as candidates for state Senate and House seats. There is no compelling reason why statewide candidates should not have to file these reports. Requiring statewide candidates and specific-purpose committees who accept large contributions during the last nine days of a campaign to report those contributions would go a long way toward informing citizens who is backing whom. Voters should have this information before election day.

The reporting requirement would not be burdensome because it would apply only to contributions of more than \$1,000. In most cases, a campaign receives only one or two large contributions per day during the final days of a campaign.

OPPONENTS SAY: HB 407 would impose an additional time-consuming reporting requirement on candidates. The last days of a campaign are hectic, and for campaigns that are staffed by volunteers, this requirement would be an administrative burden.

NOTES: A similar bill, HB 2 by Gallego, relating to the regulation of political contributions, expenditures, and advertising, passed the House on April 18

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by a nonrecord vote and has been referred to the Senate State Affairs
Committee.