

SUBJECT: Increasing individual campaign expenditure cap for reporting duties

COMMITTEE: State Affairs — committee substitute recommended

VOTE: 9 ayes — Cook, Giddings, Craddick, Geren, Harless, Huberty, Kuempel, Smithee, Sylvester Turner

1 nay — Farrar

2 absent — Farney, Oliveira

WITNESSES: For — (*Registered, but did not testify:* Ruth Allwein and Joe Pojman, Texas Alliance for Life, Inc.)

Against — (*Registered, but did not testify:* Tom "Smitty" Smith, Public Citizen, Inc.)

BACKGROUND: Under Election Code, sec. 254.261(a), individuals who make one or more direct campaign expenditures in an election from their own property in excess of \$100 must comply with certain reporting requirements under the Election Code as if they were the campaign treasurer of a general-purpose committee. For example, a campaign treasurer must report to the Texas Ethics Commission the name of each candidate or officeholder who benefits from a direct campaign expenditure made, as required by sec. 254.031(a)(7).

As provided by sec. 254.001(e), failure to meet these requirements is a class B misdemeanor (up to 180 days in jail and/or a maximum fine of \$2,000).

DIGEST: CSHB 3396 would require individuals who made one or more direct campaign expenditures in an election in an amount that exceeded \$1,000, rather than \$100, to comply with reporting requirements as if they were campaign treasurers.

This bill would take immediate effect if finally passed by a two-thirds

record vote of the membership of each house. Otherwise, it would take effect September 1, 2015, and would apply only to the reporting of a contribution or expenditure made on or after that date.

**SUPPORTERS
SAY:**

CSHB 3396 would remove a low threshold for campaign expenditures that is burdensome to individuals who must file a report with the Ethics Commission when their expenditures exceed \$100, which is less than the cost of some newspaper ads. The current law presents a barrier to individuals exercising their right to free speech because they must follow complicated rules that could result in them unknowingly committing a class B misdemeanor.

**OPPONENTS
SAY:**

CSHB 3396 would remove important transparency protections in campaign law. While a threshold of \$100 may be low, numerous individual expenditures between \$100 and \$1,000 to a campaign could add up to be a substantial amount of money.