

## **BILL ANALYSIS**

Senate Research Center

S.B. 1969  
By: Huffman  
State Affairs  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The purpose of this bill is to enact the recommendations of the Sunset Advisory Commission (Sunset) provided in S.B. 219, 83rd Legislature, Regular Session, 2013, regarding the Texas Ethics Commission (TEC). TEC administers and enforces the state's campaign finance and ethics laws that govern the conduct of state officers and employees, candidates for and holders of state and local offices, political committees, political parties, and lobbyists.

Sunset did not address continuation of TEC because it is not subject to abolishment under the Texas Sunset Act. However, Sunset recommended changes to better focus and otherwise improve operations.

TEC is established in Section 24a (Texas Ethics Commission), Article III (Legislative Department), Texas Constitution, and is governed by Chapter 571 (Texas Ethics Commission), Government Code. TEC has jurisdiction to administer and/or enforce several laws, including Title 15 (Regulating Political Funds and Campaigns), Election Code, and Chapters 305 (Registration of Lobbyists) and 572 (Personal Financial Disclosure, Standards of Conduct, and Conflict of Interest), Government Code.

As proposed, S.B. 1969 amends current law relating to ethics of public servants, including the functions and duties of the Texas Ethics Commission; the regulation of political contributions, political advertising, lobbying, and conduct of public servants; and the reporting of political contributions and expenditures and personal financial information; provides civil and criminal penalties.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to Texas Ethics Commission in SECTION 1.01 (Section 571.033, Government Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

#### ARTICLE 1. GENERAL PROCEDURES OF TEXAS ETHICS COMMISSION

SECTION 1.01. Amends Subchapter B, Chapter 571, Government Code, by adding Section 571.033, as follows:

Sec. 571.033. NOTIFICATION PROCEDURES. Requires the Texas Ethics Commission (TEC) to adopt rules prescribing how TEC will notify any person or provide any notice required by this subtitle, Chapter 305 (Registration of Lobbyists), or Title 15 (Regulating Political Funds and Campaigns), Election Code.

SECTION 1.02. Amends Section 571.0671, Government Code, by adding Subsection (d), as follows:

(d) Provides that electronic report data saved in a TEC temporary storage location for later retrieval and editing before the report is filed is confidential and may not be disclosed. Provides that after the report is filed, the information disclosed in the report is subject to the law requiring the filing of the report.

## ARTICLE 2. PERSONAL FINANCIAL STATEMENTS

SECTION 2.01. Amends Section 571.0671, Government Code, as follows:

Sec. 571.0671. REQUIREMENTS FOR ELECTRONIC FILING SOFTWARE. (a) Requires that computer software provided or approved by TEC for use under Section 254.036(b) (requiring a report filed under this chapter with TEC to meet certain requirements), Election Code, or Section 302.013 (Filing of Statement of Contributions, Loans, and Expenditures), 305.0064 (Electronic Filing of Registration and Activity Reports), or 572.0291:

(1)-(5) Makes no change to these subdivisions.

(b) Adds a reference to Section 572.0291 and makes no further change.

(c) Adds a reference to Section 572.0291 and makes no further change.

SECTION 2.02. Amends Subchapter B, Chapter 572, Government Code, by adding Section 572.0291, as follows:

Sec. 572.0291. ELECTRONIC FILING REQUIRED. Requires that a financial statement filed with TEC be filed by computer diskette, modem, or other means of electronic transfer, using computer software provided by TEC or computer software that meets TEC specifications for a standard file format.

SECTION 2.03. Amends Subchapter B, Chapter 572, Government Code, by adding Section 572.0292, as follows:

Sec. 572.0292. PREPARATION OF FORMS. Requires TEC to design forms that may be used for filing a financial statement with an authority other than TEC.

SECTION 2.04. Amends the heading to Section 572.030, Government Code, to read as follows:

Sec. 572.030. NOTIFICATION OF FILING REQUIREMENT.

SECTION 2.05. Amends Section 572.030, Government Code, by amending Subsections (b) and (c), as follows:

(b) Requires TEC to notify each individual required to file under this subchapter of:

(1) the requirement that the individual file a financial statement under this subchapter;

(2) the filing dates for the financial statement as provided by Sections 572.026 (Filing Dates for State Officers and State Party Chairs) and 572.027 (Filing Dates for Candidates); and

(3) the manner in which the individual may electronically file the financial statement and access instructions for filing financial statements on TEC's Internet website.

Deletes existing text requiring TEC to mail to each individual required to file under this subchapter a notice that states that the individual is required to file a financial statement under this subchapter; identifies the filing dates for the financial statement as provided by Sections 572.026 and 572.027; and describes the manner in which the individual may obtain the financial statement forms and instructions from the commission's Internet website.

Deletes existing Subdivision (4) requiring TEC to mail to each individual required to file under this chapter a notice that states that on request of the individual, TEC will mail to the individual a copy of the financial statement forms and instructions. Deletes existing Subdivision (5) requiring TEC to mail to each individual required to file under this chapter a notice that states, if applicable, the fee for mailing the forms and instructions and the manner in which the individual may pay the fee.

(c) Requires that the notification required by Subsection (b) be provided, rather than requires the notice required by Subsection (b) be mailed:

(1)-(3) Makes no change to these subdivisions;

(4) not later than the fifth day after the date the certificate of nomination is filed for candidates required to file under Section 572.027(d) (requiring candidates for certain nominated elected officer positions to file certain final statements), rather than Section 574.027(d).

SECTION 2.06. Amends Section 572.031(b), Government Code, as follows:

(b) Requires TEC, if TEC determines that an individual has failed to file the statement in compliance with this subchapter, to notify the appropriate prosecuting attorney for the state of the determination, rather than to send a written statement of the determination to the appropriate prosecuting attorneys of the state.

SECTION 2.07. Amends Section 572.032, Government Code, by amending Subsection (a-1) and adding Subsection (a-2), as follows:

(a-1) Requires TEC to remove the home address of a judge, justice, or district attorney from a financial statement filed under this subchapter before:

(1) and (2) Makes no change to these subdivisions.

Makes a nonsubstantive change.

(a-2) Requires TEC to remove the home address of an individual from a financial statement filed by the individual under this subchapter before:

(1) permitting a member of the public to view the statement; or

(2) providing a copy of the statement to a member of the public.

SECTION 2.08. Amends Section 572.033, Government Code, by amending Subsections (a) and (b), as follows:

(a) Requires TEC, on making a determination that the statement is late, to notify the individual responsible for filing the statement and the appropriate prosecuting attorney for the state of the determination, rather than to immediately mail a notice of the determination to the individual responsible for filing the statement and to the appropriate attorney for the state.

(b) Requires TEC, if a statement is more than 30 days late, to issue a warning of liability to the individual responsible for the filing, rather than requiring TEC to issue a warning of liability by registered mail to the individual responsible for the filing.

SECTION 2.09. Amends Section 145.003, Local Government Code, by adding Subsection (c), as follows:

(c) Authorizes the statement to be filed with the clerk or secretary by electronic mail. Authorizes the clerk or secretary to prescribe guidelines for filing by electronic mail.

SECTION 2.10. Amends Section 145.004(d), Local Government Code, as follows:

(d) Provides that, in addition, a financial statement that is not filed by electronic mail is timely filed if it is properly addressed and placed in the United States post office or in the hands of a common or contract carrier not later than the last day for filing the financial statement. Provides that the post office cancellation mark or the receipt mark of a common or contract carrier is prima facie evidence of the date the statement was deposited with the post office or carrier. Authorizes the individual filing the statement to show by competent evidence that the actual date of posting was different from that shown by the mark.

SECTION 2.11. Amends Section 159.003, Local Government Code, by adding Subsection (c), as follows:

(c) Authorizes the statement to be filed with the county clerk by electronic mail. Authorizes the county clerk to prescribe guidelines for filing by electronic mail.

SECTION 2.12. Amends Section 159.004(d), Local Government Code, as follows:

(d) Provides that, in addition, a financial statement that is not filed by electronic mail is timely filed if it is properly addressed and placed in the United States post office or in the hands of a common or contract carrier not later than the last day for filing the financial statement. Provides that the post office cancellation mark or the receipt mark of a common or contract carrier is prima facie evidence of the date the statement was deposited with the post office or carrier. Authorizes the individual filing the statement to show by competent evidence that the actual date of posting was different from that shown by the mark.

SECTION 2.13. Amends Section 159.034, Local Government Code, by adding Subsection (d), as follows:

(d) Authorizes a report filed under this subchapter to be filed by electronic mail. Authorizes the authority with whom the report is filed to prescribe guidelines for filing by electronic mail.

SECTION 2.14. Amends Section 159.052, Local Government Code, by adding Subsection (c), as follows:

(c) Authorizes a financial statement filed with the county clerk to be filed by electronic mail. Authorizes the county clerk to prescribe guidelines for filing by electronic mail under this subsection.

SECTION 2.15. Amends Section 159.053(b), Local Government Code, as follows:

(b) Provides that, in addition, a financial statement that is not filed by electronic mail is timely filed if it is properly addressed and placed in the United States post office or in the hands of a common or contract carrier not later than the last day for filing the financial statement. Provides that the post office cancellation mark or the receipt mark of a common or contract carrier is prima facie evidence of the date the statement was deposited with the post office or carrier. Authorizes the individual filing the statement to show by competent evidence that the actual date of posting was different from that shown by the mark.

SECTION 2.16. Provides that Subsection (a-1), Section 572.032, Government Code, as amended by this Act, applies to any financial statement filed under Subchapter B, Chapter 572, Government Code, that TEC maintains on file and that is accessible to the public on or after the effective date of this Act.

SECTION 2.17. Provides that Subsection (a-2), Section 572.032, Government Code, as added by this Act, applies only to a financial statement filed under Subchapter B, Chapter 572, Government Code, on or after the date TEC determines that the computer software that a person is required to use to electronically file a financial statement includes features that allow TEC to easily and quickly redact information in the statement. Makes application of this Act prospective.

### ARTICLE 3. CAMPAIGN FINANCE

SECTION 3.01. Amends Section 251.001(16), Election Code, to redefine "political advertising."

SECTION 3.02. Amends Section 251.003, Election Code, as follows:

Sec. 251.003. New heading: DOCUMENT FILING FEE. (a) Requires a candidate, an officeholder other than the secretary of state, and a political committee to pay an annual fee for each year in which the candidate, officeholder, or political committee files a document required to be filed under this title. Deletes existing text prohibiting a charge from being made for filing a document required to be filed under this title.

(b) Provides that this section does not apply to:

- (1) a candidate, officeholder, or specific-purpose committee who files reports under this title with an authority other than TEC;
- (2) a candidate who filed a petition in lieu of the filing fee with the candidate's application for a place on the ballot; or
- (3) an officeholder who filed a petition in lieu of the filing fee with the application for a place on the ballot as a candidate for the office held by the officeholder.

(c) Requires TEC by rule to determine the amount of the annual fee under this section in an amount, not to exceed \$100, that TEC determines necessary for the administration of this title.

(d) Requires TEC to adopt rules to implement this section.

SECTION 3.03. Amends the heading to Chapter 252, Election Code, to read as follows:

#### CHAPTER 252. CAMPAIGN TREASURER, AND PRINCIPAL POLITICAL COMMITTEE

SECTION 3.04. Amends Chapter 252, Election Code, by designating Sections 252.001 through 252.015 as Subchapter A and adding a subchapter heading, to read as follows:

#### SUBCHAPTER A. CAMPAIGN TREASURER

SECTION 3.05. Amends Section 252.001, Election Code, as follows:

Sec. 252.001. APPOINTMENT OF CAMPAIGN TREASURER REQUIRED. Requires each candidate and each political committee, except as provided in Subchapter C, to appoint a campaign treasurer as provided by this subchapter, rather than chapter. Makes a nonsubstantive change.

SECTION 3.06. Amends Subchapter A, Chapter 252, Election Code, by adding Section 252.00311, as follows:

Sec. 252.00311. CERTAIN USE OF CANDIDATE'S NAME BY POLITICAL COMMITTEE PROHIBITED. (a) Prohibits the name of a political committee, notwithstanding Section 252.0031(b) (requiring the name of a specific-purpose committee for supporting a candidate for an office to include the name of the candidate that the committee supports), from including the name of any candidate that the

committee supports if the candidate has not previously consented to and approved of the committee's formation.

(b) Provides that a violation of this section is a deceptive trade practice under Subchapter E (Deceptive Trade Practices and Consumer Protection), Chapter 17, Business and Commerce Code, and is actionable under that subchapter.

SECTION 3.07. Amends Chapter 252, Election Code, by adding Subchapter B, as follows:

**SUBCHAPTER B. PRINCIPAL POLITICAL COMMITTEE**

Sec. 252.101. DESIGNATION OF PRINCIPAL POLITICAL COMMITTEE. (a) Authorizes a candidate required to file a campaign treasurer appointment with TEC or an officeholder of an office for which a candidate is required to file a campaign treasurer appointment with TEC to designate a specific-purpose committee as the principal political committee for the candidate or officeholder with the responsibility of reporting any activity of the candidate or officeholder for which the candidate or officeholder would otherwise be required to file a report under Chapter 254 (Political Reporting).

(b) Provides that a candidate who designates a principal political committee under this subchapter is not required to appoint a campaign treasurer under Subchapter A.

(c) Requires a designation of a principal political committee to be in writing and filed with TEC.

Sec. 252.102. LIMITATION ON DESIGNATION OF AND AS PRINCIPAL POLITICAL COMMITTEE. (a) Authorizes a candidate or officeholder to designate only one specific-purpose committee as the candidate's or officeholder's principal political committee.

(b) Authorizes a specific-purpose committee to be designated as the principal political committee for only one candidate or officeholder.

SECTION 3.08. Amends Subchapter A, Chapter 253, Election Code, by adding Section 253.006, as follows:

Sec. 253.006. CERTAIN CONTRIBUTIONS AND EXPENDITURES BY LOBBYISTS RESTRICTED. (a) Defines "administrative action," "communicates directly with," "legislation," "member of the executive branch," and "member of the legislative branch" for purposes of this section.

(b) Prohibits a person required to register under Chapter 305, Government Code, notwithstanding any other provision of law and except as provided by Subsection (c), before the second anniversary of the date the last term for which the person was elected ends, from knowingly making or authorizing a political contribution or political expenditure from political contributions accepted by the person as a candidate or officeholder.

(c) Provides that Subsection (b) does not apply to a person who:

(1) communicates directly with a member of the legislative or executive branch only to influence legislation or administrative action on behalf of:

(A) a nonprofit organization exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c)(3) of that code;

(B) a group of low-income individuals; or

(C) a group of individuals with disabilities; and

(2) does not receive compensation other than reimbursement for actual expenses for engaging in communication described by Subdivision (1).

(d) Provides that a person who violates this section commits an offense. Provides that an offense under this section is a Class A misdemeanor.

SECTION 3.09. Amends Section 253.158(a), Election Code, to provide that for purposes of Sections 253.155 (Contribution Limits) and 253.157 (Limit on Contribution by Law Firm or Member or General-Purpose Committee of Law Firm), a contribution by the child of an individual, rather than by the spouse or child of an individual, is considered to be a contribution by the individual.

SECTION 3.10. Amends Section 254.036, Election Code, by amending Subsections (c) and (c-1) and adding Subsections (d) and (d-1), as follows:

(c) Authorizes a candidate, officeholder, or political committee that is required to file reports with TEC to file reports that comply with Subsection (a) (requiring a report filed under this chapter to meet certain requirements) if:

(1) makes no change to this subdivision; and

(2) the candidate, officeholder, or committee has never, in a calendar year, accepted political contributions that in the aggregate exceeded \$20,000 or made political expenditures that in the aggregate exceeded \$20,000, rather than the candidate, officeholder or committee does not, in a calendar year, accept political contributions that in the aggregate exceed \$20,000 or make political expenditures that in the aggregate exceed \$20,000.

(c-1) Makes a nonsubstantive change.

(d) Authorizes a legislative caucus to file reports that comply with Subsection (a) if:

(1) the legislative caucus chair files with TEC an affidavit stating that the caucus, an agent of the caucus, or a person with whom the caucus contracts does not use computer equipment to keep the current records of contributions, expenditures, or persons making contributions to the caucus; and

(2) the caucus has never, in a calendar year, accepted contributions that in the aggregate exceeded \$20,000 or made expenditures that in the aggregate exceeded \$20,000.

(d-1) Requires that an affidavit under Subsection (d) be filed with each report filed under Subsection (a). Requires that the affidavit include a statement that the legislative caucus understands that the caucus file reports as required by Subsection (b) if:

(1) the caucus, a consultant of the caucus, or a person with whom the caucus contracts uses computer equipment for a purpose described by Subsection (d); or

(2) the caucus ever exceeds \$20,000 in contributions or expenditures in a calendar year.

SECTION 3.11. Amends Section 254.042, Election Code, by amending Subsections (a) and (b), as follows:

(a) Requires TEC, on making a determination that a required report is late, to immediately notify the person required to file the report of the determination, rather than to immediately mail a notice of the determination to the person required to file the report.

(b) Requires TEC, if a report is more than 30 days late, to issue a warning of liability, rather than to issue a warning of liability by registered mail, to the person required to file the report. Makes no further change to this subsection.

SECTION 3.12. Amends Subchapter C, Chapter 254, Election Code, by adding Section 254.067, as follows:

Sec. 254.067. **REPORT NOT REQUIRED.** Provides that if during any reporting period prescribed by this subchapter a candidate designates a specific-purpose committee as the candidate's principal political committee as provided by Section 252.101, the candidate is not required to file a report covering that period if the candidate's principal political committee reports all of the activity that would otherwise be required to be included in the report, including:

- (1) the amount of any political contribution, including any loan, made by the candidate to the principal political committee; and
- (2) the amount of any political expenditure made by the candidate from personal funds and whether the candidate intends to seek reimbursement of the expenditure from the principal political committee.

SECTION 3.13. Amends Section 254.095, Election Code, as follows:

Sec. 254.095. **REPORT NOT REQUIRED.** (a) Creates this subsection from existing text and makes no further change to this subsection.

(b) Provides that, if during any reporting period prescribed by this subchapter an officeholder designates a specific-purpose committee as the officeholder's principal political committee as provided by Section 252.101, the officeholder is not required to file a report covering that period if the officeholder's principal political committee reports all of the activity that would otherwise be required to be included in the report, including:

- (1) the amount of any political contribution, including any loan, made by the officeholder to the principal political committee; and
- (2) the amount of any political expenditure made by the officeholder from personal funds and whether the officeholder intends to seek reimbursement of the expenditure from the principal political committee.

SECTION 3.14. Amends Section 254.157, Election Code, as follows:

Sec. 254.157. **MONTHLY REPORTING SCHEDULE.** (a) Requires the campaign treasurer of a general-purpose committee filing monthly reports to file a report not later than the 10th day of the month, rather than the fifth day of the month, following the period covered by the report. Requires that a report covering the month preceding an election in which the committee is involved must be received by the commission, rather than the authority with whom the report is required to be filed not later than the 10th day of the month, rather than the fifth day of the month, following the period covered by the report.

(b) Provides that a monthly report covers the period beginning the first calendar day of each month and continuing through the last calendar day of that month. Deletes existing text providing that a monthly report covers the period beginning the 26th day of each month and continuing through the 25th day of the following month, except that the period covered by the first report begins January 1 and continues through January 25.

SECTION 3.15. Amends Section 254.158, Election Code, as follows:



Sec. 254.158. EXCEPTION TO MONTHLY REPORTING SCHEDULE. Provides that if the campaign treasurer appointment of a general-purpose committee filing monthly reports is filed after January 1 of the year in which monthly reports are filed, the period covered by the first monthly report begins the day the appointment is filed and continues through the last calendar day of the month, rather than the 25th day of the month, in which the appointment is filed unless the appointment is filed the last calendar day of the month, rather than 25th of a succeeding day of the month. Provides that, in that case, the period continues through the last calendar day of the month, rather than the 25th day of the month, following the month in which the appointment is filed.

SECTION 3.16. Amends Subchapter J, Chapter 254, Election Code, by adding Section 254.2611, as follows:

Sec. 254.2611. CERTAIN NONPROFIT MEMBERSHIP ASSOCIATIONS NOT ACTING IN CONCERT. Provides that, for purposes of Section 254.261 (Direct Campaign Expenditure Exceeding \$100), a person is not considered to be acting in concert with another person if the person:

- (1) is a nonprofit membership association subject to Subchapter D (Corporations and Labor Organizations), Chapter 253;
- (2) is part of a multi-tiered local, state, and national nonprofit membership association structure; and
- (3) communicates with any entity within the multi-tiered association structure to make a direct campaign expenditure in this state.

SECTION 3.17. Subchapter J, Chapter 254, Election Code, by adding Section 254.263, as follows:

Sec. 254.263. APPLICABILITY OF PRIVILEGE TO CERTAIN PERSONS MAKING DIRECT CAMPAIGN EXPENDITURES. The privilege established under Subchapter C (Journalist's Qualified Testimonial Privilege in Civil Proceedings), Chapter 22, Civil Practice and Remedies Code, does not apply to:

- (1) a person who is required to file a report under Section 254.261, who controls a political committee, or who makes a political expenditure described by Section 253.100(a) (authorizing a corporation to make certain political expenditures set forth);
- (2) a person who is required to be disclosed on federal Internal Revenue Service Form 990 as an entity related to a person described by Subdivision (1); or
- (3) a person who is an employee or contractor of, who acts under the control of, or who acts on behalf of a person described by Subdivision (1) or (2).

SECTION 3.18. Amends Section 255.001, Election Code, by amending Subsections (a) and (d) and adding Subsections (a-1) and (a-2), as follows

(a) Prohibiting a person from knowingly causing to be published, distributed, or broadcast political advertising containing express advocacy that does not include, rather than that does not indicate, in the advertising:

- (1) an indication that it is political advertising;
- (2) Makes a nonsubstantive change.
- (3) if the political advertising is authorized by the candidate, sets forth criteria for radio and television advertising; and

(4) if the political advertising is not authorized by the candidate, sets forth criteria for radio and television advertising.

(a-1) Requires that an Internet website containing political advertising contain the disclosure required by this section on each page of the website containing the political advertising. Requires that the disclosure appear:

(1) in a printed box set apart from the rest of the contents of the page;

(2) in a font size that is at least 12 pixels; and

(3) in black text on a white background or in a text color so that the degree of contrast between the background color and the disclosure text color is at least as great as the degree of contrast between the background color and the color of the largest text on the page.

(a-2) Requires that a disclosure that complies with Subsection (a-1), if political advertising appears on a social media website, appear on the appropriate social media profile page. Provides that, if political advertising on an Internet website, including a social media profile page, is too small to include the disclosure in a manner that complies with Subsection (a-1), the disclosure satisfies the requirements of Subsection (a-1) if the disclosure links to another Internet website page that displays the full disclosure and is operational and freely accessible during the time the advertisement is visible. Provides that Internet advertising that is too small to include a disclosure complying with Subsection (a-1) includes an advertisement classified as a micro bar or button according to applicable advertising standards, an advertisement that has 200 or fewer characters, and a graphic or picture link in which including the disclosure is not reasonably practical because of the size of the graphic or picture link.

(d) Provides that this section does not apply to:

(1) Makes no change to this subdivision;

(2) and (3) Makes nonsubstantive changes; or

(4) political advertising distributed by sending a text message using a mobile communications service.

SECTION 3.19. Amends Section 257.003, Election Code, by amending Subsection (a) and adding Subsection (e), as follows:

(a) Requires a political party that accepts contributions authorized by Section 253.104 (Contribution to Political Party) to report all contributions and expenditures made to and from the account required by Section 257.002 (Requirements Relating to Corporate or Labor Union Contributions), except as provided by Subsection (e).

(e) Provides that a county executive committee of a political party is not required to file a report under this section if the committee:

(1) has less than \$250 in one or more accounts maintained by the committee in which contributions authorized by Section 253.104 are deposited, as of the last day of the preceding reporting period;

(2) has not accepted any contributions authorized by Section 253.104 during the reporting period to be covered by the report; and

(3) has not made an expenditure from contributions authorized by Section 253.104 during the reporting period to be covered by the report.

SECTION 3.20. Amends Subchapter B, Chapter 305, Government Code, by adding Section 305.030, as follows:

Sec. 305.030. EXPENDITURES FROM POLITICAL CONTRIBUTIONS RESTRICTED. (a) Defines "political contribution."

(b) Prohibits a person required to register under this chapter, notwithstanding any other provision of law and except as provided by Subsection (c), and, before the second anniversary of the date the last term for which the person was elected ends, from knowingly making or authorizing an expenditure under this chapter from political contributions accepted by the person as a candidate or officeholder.

(c) Provides that Subsection (b) does not apply to a person who:

(1) communicates directly with a member of the legislative or executive branch only to influence legislation or administrative action on behalf of:

(A) a nonprofit organization exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c)(3) of that code;

(B) a group of low-income individuals; or

(C) a group of individuals with disabilities; and

(2) does not receive compensation other than reimbursement for actual expenses for engaging in communication described by Subdivision (1).

SECTION 3.21. Provides that Section 253.006, Election Code, as added by this article, and Section 305.030, Government Code, as added by this article, apply to a political contribution, political expenditure, or lobbying expenditure made on or after September 1, 2013, from funds accepted as a political contribution, regardless of the date the funds were accepted.

SECTION 3.22. Provides that Section 253.158, Election Code, as amended by this Act, applies only to a political contribution accepted on or after the effective date of this Act. Makes application of this Act prospective.

SECTION 3.23. Provides that the changes in law made by this article apply only to a report required to be filed under Chapter 254, Election Code, on or after the effective date of this Act. Makes application of this Act prospective.

SECTION 3.24. (a) Requires each legislative caucus in existence on September 1, 2015, not later than September 15, 2015, to appoint a caucus chair and file a caucus chair appointment with TEC as required by Subchapter B, Chapter 252, Election Code, as added by this Act. Provides that, notwithstanding Section 254.0311, Election Code, as amended by this Act:

(1) not later than October 1, 2015, a legislative caucus shall file a report under Section 254.0311, Election Code, as that section existed before amendment by this Act, that covers the period beginning July 1, 2015, or the day the caucus is organized, as applicable, and continuing through September 15, 2015; and

(2) not later than January 15, 2016, a legislative caucus chair appointed under this subsection shall file a report under Section 254.0311, Election Code, as amended by this Act, that covers the period beginning September 15, 2015, and continuing through December 31, 2015.

(b) Provides that a legislative caucus chair appointed under Subsection (a) of this section is not responsible for:

(1) reporting caucus activity that occurs before September 15, 2013; or

(2) maintaining records of caucus activity that occurs before September 15, 2015.

ARTICLE 4. EFFECTIVE DATE

SECTION 4.01. Effective date: September 1, 2015.