

TEXAS ETHICS COMMISSION

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Notice Regarding Updated Forms for Political Committees Accepting Political Contributions from Corporations or Labor Organizations

The 2019 Texas Legislature passed House Bills 2586 and 3580, which made changes regarding how political committees can accept and spend political contributions from corporations and labor organizations. The purpose of this notice is to inform all political committees of these changes and to provide additional information regarding amendments to the affected Texas Ethics Commission ("Commission") forms. The changes are effective on September 1, 2019.

If your political committee does not accept or spend political contributions from corporations or labor organizations, or the committee supports or opposes measures exclusively, then these form changes do not apply to your political committee. These form changes also do not apply to a political committee that is established or controlled by a candidate or officeholder, as corporate and labor organization contributions to such committees are generally prohibited, or to political parties or county executive committees.

For more information about these updated forms, please call the Commission at 512-463-5800.

1. Updated Campaign Treasurer Appointment Forms

House Bill 2586 amended section 253.097 of the Election Code to allow a corporation or labor organization to make campaign contributions to a political committee that has filed a certain affidavit with its campaign treasurer appointment. The affidavit must state that the committee is not established or controlled by a candidate or officeholder and will not use such contributions to make political contributions to a candidate, officeholder, or other political committee that has not filed the same affidavit.

Additionally, sections 252.003 and 252.0031 of the Election Code now require a political committee to include this affidavit in its campaign treasurer appointment before it uses a political contribution from a corporation or labor organization to make a direct campaign expenditure in connection with a campaign for an elective office. This means that a political committee that has previously filed a campaign treasurer appointment must amend the appointment to include this affidavit before making such expenditures from corporation or labor organization contributions.

This affidavit is also required for Direct Campaign Expenditure-Only Committees that wish to make direct campaign expenditures in connection with a campaign for an elective office. See Section 2 (below) in this notice for more information about these committees.

The Commission has amended the campaign treasurer appointment forms for general-purpose committees (GPACs) and specific-purpose committees (SPACs) to include this affidavit. For a general-purpose committee, the affidavit is on Page 4 of the Form GTA (Appointment of a Campaign Treasurer by a General-

Purpose Committee) and the Form AGTA (to amend a previously filed Form GTA). For a specific-purpose committee, the affidavit is on Page 3 of the Form STA (Appointment of a Campaign Treasurer for a Specific-Purpose Committee) and the Form ASTA (to amend a previously filed Form STA).

The forms for a political committee to file a new or amended campaign treasurer appointment, and instructions for each form, are available on the Commission's website at <https://www.ethics.state.tx.us/forms/PACindex.php>. Additional information may also be found in the Commission's "Campaign Finance Guide for Political Committees" on the Commission's website at https://www.ethics.state.tx.us/resources/guides/PAC_guide.php.

2. Direct Campaign Expenditure-Only Committees

House Bill 3580 added section 253.105 of the Election Code to permit a corporation or labor organization to make a political contribution to a political committee that meets certain requirements:

- The committee must not be established or controlled by a candidate or officeholder.
- The committee must make or intend to make direct campaign expenditures.
- The committee must not make or intend to make political contributions to a candidate, officeholder, or certain other political committees.
- The committee must file an affidavit with the Commission stating its intention to operate as such a committee.

This type of committee is referred to as a "Direct Campaign Expenditure-Only Committee," "DCE Committee," or "Super PAC." Such a committee was previously recognized as a DCE Committee by filing a "Statement to Act as Direct Campaign Expenditure Only Committee" with the Commission. A DCE Committee may, if desired, file an affidavit with the Commission containing the new language specified by House Bill 3580. However, a new statement is not required for a committee that has filed the Commission's previous version of the statement.

It is also important to note that if a DCE Committee wishes to use a political contribution from a corporation or labor organization to make a direct campaign expenditure in connection with a campaign for an elective office, the committee must also include in its campaign treasurer appointment the new affidavit that is included in the Commission's campaign treasurer appointment form. Please see "1. Updated Campaign Treasurer Appointment Forms" in this notice for more information regarding this affidavit.