

ACTION BY MAIL OR OTHER CARRIER

For most reporting deadlines, a document is considered timely filed if it is properly addressed with postage or handling charges prepaid and bears a postmark or receipt mark of a common or contract carrier indicating a time on or before the deadline.

Pre-Election Reports. A report due 30 days before an election and a report due 8 days before an election must be *received* by the appropriate filing authority no later than the report due date to be considered filed on time.

PENALTIES FOR VIOLATIONS OF FILING REQUIREMENTS

A person who files a report late or fails to file a report is subject to a late-filing penalty. The late-filing penalty in connection with most reports is \$500. For a report due eight days before an election or for the first semiannual report due after a primary or general election, the late filing penalty is \$500 for the first day the report is late and \$100 a day for each day thereafter that the report is late.

Also, any citizen may file a criminal complaint with the district attorney, a civil complaint with the Commission, or a civil action against a candidate or officeholder for violations of title 15. Any penalty stemming from such complaints would be assessed against *the candidate or officeholder*, not the campaign treasurer.

REQUIRED REPORTS

SEMIANNUAL REPORTS

Every candidate and every officeholder is required to file reports of contributions and expenditures by January 15 and July 15 of each year. The reports filed on these dates are known as semiannual reports. (Exception: An officeholder who is required to file campaign finance reports only with an authority other than the Commission *and who does not have a campaign treasurer appointment on file* is not required to file a report for a period in which the officeholder does not exceed \$1,010 in contributions or expenditures.)

REPORTS DUE 30 DAYS AND 8 DAYS BEFORE AN ELECTION

An *opposed* candidate in an upcoming election must file reports of contributions and expenditures by the 30th day and 8th day before the election. Each of these pre-election reports must be *received* by the appropriate filing authority no later than the report due date. (Exception: A person who has elected modified reporting and who remains eligible for modified reporting is not required to file these reports. *See "Modified Reporting" in this guide.*)

An *opposed* candidate is a candidate who has an opponent whose name appears on the ballot. If a candidate's only opposition is a write-in candidate, that candidate is not considered opposed for filing purposes. (A write-in candidate who has an opponent whose name appears on the ballot is also considered opposed for filing purposes.)

The report that is due 30 days before the election covers the period that begins on the first day after the period covered by the last required report and ends the 40th day before the election. If

this is a filer's first report, the period covered by the report begins on the day the campaign treasurer appointment was filed.

The report that is due 8 days before the election covers the period that begins on the first day after the period covered by the last required report and ends on the 10th day before the election.

REPORT DUE 8 DAYS BEFORE A RUNOFF ELECTION

A candidate in a runoff election must file a report of contribution and expenditures by the 8th day before the runoff election. A runoff report must be *received* by the appropriate filing authority no later than the report due date. (A candidate who has elected modified reporting and who remains eligible for modified reporting is not required to file this report. *See* "Modified Reporting" below.) This report covers a period that begins either:

- the 9th day before the main election (if the filer filed a report due 8 days before the main election);
- the first day after the period covered by the last required report (if this is not the filer's first report *and* if the filer did not file a report due 8 days before the main election); or
- the day the filer filed a campaign treasurer appointment (if this is the filer's first report).

The period covered by the runoff report ends the 10th day before the runoff election.

MODIFIED REPORTING

On the campaign treasurer appointment form, there is an option to choose modified reporting for the next election cycle. Modified reporting excuses an opposed candidate from filing reports due 30 days and 8 days before an election and 8 days before a runoff election. (Modified reporting does not excuse a filer from filing semiannual reports.) Modified reporting may be chosen only by a candidate who does not intend to exceed either \$1,010 in contributions or \$1,010 in expenditures in connection with an election, other than expenditures for a filing fee. A candidate who wishes to file under the modified schedule must indicate the choice on the FORM JCTA no later than the deadline for the 30-day-before-election report.

If an opposed candidate selects modified reporting but exceeds a threshold before the 30th day before the election, the candidate automatically goes back to regular reporting. Thus, the candidate must file reports due 30 days and 8 days before the election.

If an opposed candidate selects modified reporting but exceeds a threshold after the 30th day before the election, the candidate must file a report within 48 hours of exceeding the threshold. (The candidate must meet this deadline even if it falls on a weekend or holiday.) At that point, the candidate is no longer eligible to participate in modified reporting and must file according to the regular filing schedule.

“15TH DAY AFTER APPOINTMENT OF CAMPAIGN TREASURER BY AN OFFICEHOLDER” REPORT

An officeholder who has not had a campaign treasurer appointment on file must file this report after appointing a campaign treasurer. An officeholder does not file this report after *changing* campaign treasurers. This report of contributions and expenditures is due no later than 15 days after the campaign treasurer appointment was filed. The report must cover the period that begins the day after the period covered by the officeholder's last report. The period ends on the day before the campaign treasurer appointment was filed.

(Exception: If an officeholder files with a local filing authority and did not exceed \$1,010 in the period covered by the "15th day after appointment" report, the officeholder does not have to file that report.)

Note: A person who is *appointed* to elective office may not already be filing as a candidate or officeholder; therefore, the report due 15 days after the campaign treasurer appointment is filed may be the first report the appointed officeholder has had to file. In this case, the beginning date for the report is the date the officeholder took office.

SPECIAL PRE-ELECTION REPORTS

Special pre-election reports (formerly known as telegram reports) are filed by opposed candidates who file with the Commission and who accept a contribution or contributions from a single source that in the aggregate exceed \$2,020 during the period beginning the 9th day before the election and ending at noon on the day before the election. The same reporting requirement applies to specific-purpose political committees that support or oppose candidates that file with the Commission.

A special pre-election report must be filed electronically, unless otherwise exempted from electronic filing. A special pre-election report filed electronically must be *received* by the commission no later than midnight of the first business day after the contribution is accepted. A special pre-election report that is filed on paper must be *received* by the commission no later than 5 p.m. of the first business day after the contribution is accepted. A special pre-election report that is exempt from the electronic filing requirement does not have to be on a form prescribed by the Commission. It may be on regular stationery. Any information reported on a special pre-election report must also be reported on the next contribution and expenditure report. *This is the only instance in which information must be reported twice.*

A special pre-election report must include the amount of the contribution(s), the full name and address of the contributor(s), and the date(s) of the contribution(s).

SPECIAL SESSION REPORT

Judges and judicial candidates who file with the Commission may be required to file a report after a special session of the legislature.

FINAL REPORT

See "Ending a Candidacy" below.

PERSONAL FINANCIAL DISCLOSURE STATEMENT

In addition to the campaign finance reports required by title 15 of the Texas Election Code, judicial candidates and officeholders are required to file personal financial disclosure statements under either Government Code Chapter 572 or Local Government Code Chapter 159. For additional information, *see* “Filing Authority,” above.

ANNUAL REPORT OF UNEXPENDED CONTRIBUTIONS

See “Ending a Candidacy” below.

REPORT OF FINAL DISPOSITION OF UNEXPENDED CONTRIBUTIONS

See “Ending a Candidacy” below.

ENDING A CANDIDACY

FINAL REPORT

If an individual who has a campaign treasurer appointment on file does not expect to accept further political contributions, to make further political expenditures or to take further action to get elected to a public office, the individual may file a final report. To do so, the individual must complete FORM JC/OH, mark the report as a final report, and attach FORM C/OH-FR. The filing of these two forms terminates the campaign treasurer appointment and relieves the individual from any additional filing obligations *as a candidate*. (Note: A candidate who does not have a campaign treasurer appointment on file may still be required to file a personal financial statement in accordance with chapter 572 of the Government Code or chapter 159 of the Local Government Code. See “Personal Financial Statements” in this guide.) Officeholders will still be subject to the reporting requirements applicable to officeholders. Individuals who have filed a final report and do not hold office may be required to file reports of unexpended contributions.

Terminating a campaign treasurer appointment does not relieve a filer of responsibility for any delinquent reports or civil penalties that are outstanding.

ANNUAL REPORT OF UNEXPENDED CONTRIBUTIONS

The following individuals must file annual reports of unexpended contributions:

- a former officeholder who did not have a campaign treasurer appointment on file at the time of leaving office and who retained any of the following after filing his or her last report: political contributions, interest or other income from political contributions, or assets purchased with political contributions.
- a former candidate (a person who previously had a campaign treasurer appointment on file) who was not an officeholder at the time of filing a final report and who retained any of the following at the time of filing a final report: political contributions, interest or other income from political contributions, or assets purchased with political contributions.

Annual reports are due not earlier than January 1 and not later than January 15 of each year. An annual report must contain the following information: (1) information about expenditures from or disposition of surplus funds or assets; (2) the amount of interest or other income earned on surplus funds during the previous year; and (3) the total amount of surplus funds and assets at the end of the previous year.

The obligation to file annual reports ends when the former candidate or officeholder files a report of final disposition of unexpended contributions.

REPORT OF FINAL DISPOSITION OF UNEXPENDED CONTRIBUTIONS

A former candidate or former officeholder who has disposed of all surplus funds and assets must file a report of final disposition of unexpended contributions. This report may be filed as soon as all funds have been disposed of.

A former candidate or former officeholder has six years from the date of filing a final report or leaving office (whichever is later) to dispose of surplus funds and assets. The latest possible date for filing a report of unexpended contributions is 30 days after the end of that six-year period.

At the end of the six-year period, a former candidate or officeholder *must* dispose of surplus assets or funds in one of the following ways:

- The former candidate or officeholder may give them to the political party with which he or she was affiliated when last on the ballot;
- The former candidate or officeholder may contribute them to a candidate or a political committee. (This triggers a requirement to file a report of the contribution.);
- The former candidate or officeholder may give them to the comptroller for deposit in the state treasury to be used to finance primary elections;
- The former candidate or officeholder may give them to one or more contributors, but the total returned to any person may not exceed the aggregate amount accepted from that person during the last two years during which the former candidate or officeholder accepted political contributions;
- The former candidate or officeholder may give them to certain charitable organizations; or
- The former candidate or officeholder may give them to a public or private post-secondary educational institution or an institution of higher education as defined by section 61.003(8), Education Code, for the purpose of assisting or creating a scholarship program.

OTHER CAMPAIGN FINANCE RESTRICTIONS

In addition to the restrictions specifically applicable to judges and judicial candidates, chapter 253 of the Election Code contains a number of restrictions applicable to all candidates and officeholders.

CORPORATIONS AND LABOR ORGANIZATIONS

Corporations and labor organizations are generally prohibited from making political contributions. Professional corporations, however, are not subject to this prohibition. Tex. Elec. Code § 253.091, *et seq.* Partnerships that include one or more corporate partners are subject to the prohibition.

OUT-OF-STATE POLITICAL COMMITTEES

A candidate, officeholder, or political committee is required to obtain certain documentation in connection with contributions from an out-of-state political committee. Tex. Elec. Code § 253.032. *See* "Contributions from Out-of-State Political Committees" in this guide.

CONTRIBUTIONS IN THE CAPITOL OR A COURTHOUSE

A candidate, officeholder, or political committee may not accept political contributions in the Capitol or in the Capitol Extension. A candidate, officeholder, or political committee also may not accept political contributions in a courthouse. "Courthouse" means any building owned by the state, a county, or a municipality, or an office or part of a building leased to the state, a county, or a municipality, in which a justice or judge sits to conduct court proceedings. Tex. Elec. Code § 253.039.

CASH CONTRIBUTIONS

A candidate, officeholder, or specific-purpose political committee may not accept more than \$100 cash (coins and currency) in the aggregate from one person in a reporting period. Tex. Elec. Code § 253.033.

REAL PROPERTY

A candidate, officeholder, or specific-purpose political committee may not use political contributions to purchase real property. There is also a restriction on the use of political funds to rent or purchase real property from a person related to the candidate or officeholder within the second degree of consanguinity or affinity or from a business in which the candidate or officeholder or such a relative has a participating interest of more than 10 percent, holds a position on the governing body, or serves as an officer. Tex. Elec. Code § 253.038.

ANONYMOUS CONTRIBUTIONS

Texas law does not allow anonymous contributions. A filer must keep a record of the name and address of each person who contributes to him or her regardless of the amount of the contribution. Reports must identify the actual source of a contribution, not an intermediary. Tex. Elec. Code § 253.001.

PERSONAL USE

A candidate, officeholder, or specific-purpose political committee supporting a candidate or officeholder may not use political contributions for personal purposes. Tex. Elec. Code § 253.035.

PERSONAL SERVICES OF CANDIDATE OR FAMILY MEMBER

A candidate, officeholder, or specific-purpose political committee supporting a candidate or officeholder may not use political contributions to pay for personal services rendered by the candidate or officeholder, the candidate's or officeholder's spouse, or the candidate's or officeholder's dependent children. In addition, a candidate or officeholder may not use political contributions to make a payment for services rendered by the candidate or officeholder, the candidate's or officeholder's spouse, or the candidate's or officeholder's dependent children if the services are rendered to a business in which the candidate or officeholder holds a participating interest of more than ten percent, a position on the governing body of the business, or a position as an officer of the business. Tex. Elec. Code § 253.041.

BUSINESS OF CANDIDATE

A payment by a candidate, officeholder, or specific-purpose political committee supporting a candidate or officeholder, from political contributions to a business in which the candidate or officeholder holds a participating interest of more than ten percent, a position on the governing body of the business, or a position as an officer of the business may not exceed the amount necessary to reimburse the business for actual expenditures made by the business. Tex. Elec. Code § 253.041; *see* Ethics Advisory Opinion No. 35 (1992) (regarding the combined effect of this prohibition and the prohibition on corporate contributions).

PERSONAL REIMBURSEMENT

A candidate or officeholder who makes political expenditures from personal funds may reimburse his or her personal funds from political contributions only if the candidate or officeholder discloses the expenditures on the report for the period in which the expenditures were made and discloses the intent to reimburse personal funds. Tex. Elec. Code § 253.035(h). (A candidate or officeholder may do so by reporting the expenditures as a loan to political funds or by using Schedule G of Form JC/OH.) A candidate or officeholder may not correct a report after the filing deadline to show such an intention. (Note: Judicial candidates and officeholders are subject to limits on reimbursement for political expenditures from personal funds.)

If a candidate or officeholder deposits personal funds in an account in which political contributions are held as permitted by section 253.0351(c) of the Election Code, the deposited amount must be reported as a loan on Schedule E(J). Political expenditures made from that loan, and any subsequent expenditures to reimburse the candidate or officeholder, must be reported on Schedule F1. The reimbursement may not exceed the amount reported as a loan. Any unexpended funds from such a loan are required to be included in the total amount of political contributions maintained as of the last day of the reporting period. Note: Personal funds deposited in an account in which political contributions are held are subject to the personal use restrictions.

FOREIGN CONTRIBUTORS

Federal law generally prohibits the acceptance of contributions from foreign sources. For more detailed information, contact the Federal Election Commission at (800) 424-9530 or go to the FEC's website at <http://www.fec.gov>.

POLITICAL ADVERTISING

The law requires that certain information be disclosed on most political advertising. For more information, see the Commission's brochure titled "Political Advertising: What You Need to Know" which is available on the Commission's website at <http://www.ethics.state.tx.us>.

SEPARATE ACCOUNT

A candidate or officeholder must keep political contributions in one or more accounts that are separate from any other account maintained by the candidate or officeholder. (There is no requirement to keep campaign contributions in a separate account from officeholder contributions.)

RESTRICTIONS INVOLVING LOBBYING

The 2019 legislature passed House Bill 2677 to amend chapter 305 of the Government Code and chapter 253 of the Election Code to enact the following restrictions. Each prohibition begins on September 27, 2019. For the language of the bill, go to <https://capitol.texas.gov/tlodocs/86R/billtext/html/HB02677F.htm>.

Making Political Contributions and Direct Campaign Expenditures. Unless expressly prohibited, a lobbyist may make political contributions and direct campaign expenditures. The campaign finance law, however, generally prohibits corporations and labor organizations from making political contributions. Tex. Elec. Code § 253.094.

Section 253.006 of the Election Code prohibits a person required to register as a lobbyist under chapter 305 of the Government Code from making political contributions or direct campaign expenditures from certain sources of funds. A person required to register as a lobbyist is prohibited from making or authorizing a political contribution to another candidate, officeholder, or political committee, or making or authorizing a direct campaign expenditure, from political contributions accepted by:

- (1) the lobbyist as a candidate or officeholder;
- (2) a specific-purpose committee that supports the lobbyist as a candidate or assists a lobbyist as an officeholder; or
- (3) a political committee that accepted a political contribution from (1) or (2), described above, during the two years immediately before the contribution or expenditure was made.

Two-Year Lobbying Prohibition After Making a Political Contribution or Direct Campaign Expenditure. Section 253.007 of the Election Code prohibits lobbying by persons who make political contributions or direct campaign expenditures from certain sources of funds. A person who makes a political contribution to another candidate, officeholder, or political committee, or

makes a direct campaign expenditure, from political contributions accepted by the person as a candidate or officeholder is prohibited from engaging in activities that require registration as a lobbyist under chapter 305 of the Government Code for two years thereafter.

However, an exception to this prohibition allows a person who does not receive compensation other than reimbursement for actual expenses to lobby on behalf of a nonprofit organization, a group of low-income individuals, or a group of individuals with disabilities.

Lobby Expenditures from Political Contributions. Section 305.029 of the Government Code prohibits certain lobby expenditures made from political contributions. A lobbyist registered under chapter 305 of the Government Code, or a person on behalf of the lobbyist and with the lobbyist's consent or ratification, is prohibited from making a reportable lobby expenditure from a political contribution accepted by:

- (1) the lobbyist as a candidate or officeholder;
- (2) a specific-purpose committee that supports the lobbyist as a candidate or assists the lobbyist as an officeholder; or
- (3) a political committee that accepted a political contribution from (1) or (2), described above, during the two years immediately before the lobbyist made or authorized the expenditure.