

Important

House, Senate approve lobbyist regulation bill

THE HOUSTON POST
TUESDAY, MAY 29, 1973

Page 3/A

By ART WIESE
Post State Capital Bureau

AUSTIN — With only 50 minutes left before legislative adjournment, the Texas Senate and House passed Monday night a compromise reform bill that would regulate lobbyists before the legislature but not those who work to influence the actions of state agencies.

The approval came after a day-long impasse between the House and Senate negotiators that was occasionally marked by bitterness.

The new proposal, is stronger than the present loophole-ridden law, but considerably weaker than the one first recommended by House Speaker Price Daniel Jr.

The House approved the bill 145-1, with only Rep. Terry Canales, D-Premont, dissenting.

In the Senate, the measure was passed by voice vote without objection.

The Senate action only came, however, after Lt. Gov. Bill Hobby abruptly cut off an apparent filibuster attempt by Sen. Jack Ogg, D-Houston, to prevent consideration of the proposal.

Daniel — who repeatedly said he would retreat no further than the "final offer" he made on the bill Sunday — nevertheless back-tracked some more.

So did the three conservative senators — Democrats Ogg of Houston and Peyton McKnight of Tyler and Republican O. H. "Ike" Harris of Dallas — who had threatened to kill the measure in the conference committee unless some of its stronger portions were deleted.

The committee voted to eliminate all administrative lobbying — that involved with state agencies, boards and commissions — after Harris argued no other state in the nation has such a provision.

The House managed to salvage — in amended form — two other sections Daniel had insisted on keeping.

Those were the requirement that anyone register as a lobbyist if he spent more than \$150 in any three consecutive months to influence legislation — although the figure

was raised to \$200 — and the portion that would force any lobbying organization to disclose the identities of its members who paid annual dues or contributions in excess of \$250 — although the amount was doubled to \$500.

There was no immediate comment from Daniel about the compromise.

Ogg, McKnight and Harris had fought all day to cut those provisions completely out of the bill.

"We've yielded on almost every point you've brought up," Rep. John Bigham, D-Belton, finally told the trio at one of the morning sessions.

"If you take those (sections) out, you've got a bill that's weaker than the present law."

Ogg called the \$150 figure "ridiculous," but Rep. Temple shot back that it was "completely reasonable" and the senators' arguments against it were "absurd."

McKnight voiced the opposition to the list of contributors or dues-paying members in excess of \$250.

That would even cover "people who are good Christians and give that amount of money or more to the First Baptist Church of Quitman, Texas," since the Baptist General Convention of Texas lobbies against legalized gambling, liquor-by-the-drink and other measures," he huffed.

Atty. Gen. John Hill, who glanced over the compromise bill in the hallway outside the committee room, said he

thought it was constitutional.

Harris complained at one point that the negotiations were "under a strain" because of a statement released by Bigham and Temple last week criticizing the Senate and its presiding officer, Lt. Gov. Bill Hobby, for passing a lobby control bill they claimed was even weaker than the present law.

Daniel had already yielded Sunday to the senators' objections and withdrew three key portions of the House version. They were:

- The creation of a state ethics commission to enforce the act.

- A requirement that the employers of lobbyists register with the state and reveal

the amount of money they spend to influence legislation.

- A proposal that would have required lobbyists to identify any lawmaker or other person on whom they spend more than \$50 in any month.

A handful of professional lobbyists — obviously worried about the bill's possible restrictions on them — attended every committee session Monday or waited in clutches outside the meeting room.

At one morning hearing insurance lobbyist E. Eugene Palmer, the author of the controversial banking bills in 1969 that touched off the Sharpstown scandal, stopped by to pick up a copy of the proposal.

To: Litras cc: SO, Braunagel, Holmes, Palmer, (Peters)
From: Brasher

Status Report on HB 2- Lobbying

January 12 - Bill introduced and referred to Committee on State Affairs

February 7 Bill on second reading

Bigham: This is the lobby registration bill. Is one of the speaker's reform bills. Intent is to track lobby money and to make the information known to the public. Protects the right to know. Protects the right to communicate with public officials. Definition section will take care of coverage of labor unions and others. Protects right of state agencies to petition. Those are some of the changes in definitions.

Pevetp: Under penalty sections, how do you put a corporate person in jail? Do you prosecute an individual representing a corporation or association?

Bigham: We will take care of those questions in conjunction with particular sections.

Bock: Does club include PTA?

Bigham: Yes

Bock: School Boards?

Bigham: No

Doyle: Sec. 3 bothers me.

Bigham: There will be a committee amendment.

Sullivan: Would persons include a church?

Bigham: No

(1) Committee amendment No. 1 (Strike all of Section 3 and adds new Section 3, Persons requires to register.)

Doyle: The amendment doesn't change the definition of person: How about a county judge making telephone calls to his legislators if he spends more than \$150 in a calendar quarter.

Bigham: He would be excepted.

Doyle: Exception.

Bigham: Concede the point. This new Sec. 3 is intended to clear things up. We found that a \$10 expenditure would discourage citizen petition of the legislature and so we raised it to \$150. The bill is intended to cover those intending to influence legislation. We made reasonable exceptions so that members of state agencies and the legislature branch would not have to register.

(1) Doran amendment to amendment (changes in exemptions to restrict to elected legislators) withdrawn.

(2) Doran amendment to amendment (to exclude people contacting their own representative) motion to table prevails 81-62.

(3) Hale amendment to amendment (to take out of Committee amendment #1, lines 9 and 10 on page 15, sec. 2 of the Committee amendment)

Temple: Anyone who spends \$150 should have to register. This amendment would open a giant loophole.

(32) Temple motion to table amendment fails 71-73

Bsg

Bigam: \$150 is a reasonable amount for a citizen to use to petition legislators and state officials. (Asks that Hale amendment be defeated)

Hale: My amendment tries to carry out the language of section 1 which is the spirit of the bill.

Hale amendment fails 72-74. Hale requests verification. Martin and Weddington struck. Amendment fails 72-72.

(4) Doyle amendment to amendment (delete Sec. 1 of page 14 and renumber)

Doyle: Delete Sec. 1 of page 14 in its entirety. Omit all of subsection b on page 15 of Committee amendment #1.

Bigam: Doyle's amendment does away with Committee amendment. Does away with provision enabling person to petition legislature or state agency of official. (Requests tabling of amendment)

Doyle: Professional lobbyists are going to comply. The nonprofessional lobbyists will get caught.

Temple: If amendment to amendment goes through, then a nonprofessional would not be required to register. Refers to corporation officials.

Doyle: Agrees with Temple, but feels this is beneficial. Refers to PTA and Board of Regents.

Geiger: (to Doyle) What does amendment mean by attempt to communicate. Extend Mr. Doyle's time. Record vote 94-40

Doyle: Motion (to table amendment to amendment passes - 82-55.

Simmons: Just want to delete Subsection 5 from bill.

Harris: Explain Sub. 5 to me.

Simmons: Want Subsection 5 deleted because it would punish those who haven't really lobbied yet, but just represent themselves as lobbyists.

Bigam: Author accepts amendment. Amendment is superfluous.

Amendment to amendment passes - 136-3. Amendment is adopted as amended.

(2) Committee amendment (strike paragraphs 1, 2, and 3 of Subsection b of Sec. 6.)

Bigam: Faced with problem of reporting total expenditures. Language in ~~original~~ original was too broad.

(1) Scoggins amendment to amendment (strike salaries and fees in section 1d. Motion to table amendment prevailed by vote of 105-37.

(2) Newton amendment to amendment (strike provisions relating to reporting of expenditures) Motion to table prevailed by vote of 96-44.

Amendment adopted by vote of 125-16.

(3) Sullivant amendment (to exempt announcements in church bulletins) adopted by voice vote.

(4) Simmons amendment (Add "except as provided herein" to section 5a) adopted by voice vote.

(5) Newton amendment (Amend page 6, line 8 of second printing; relating to time for reporting, eliminating duplication) Motion to table prevailed by vote of 100-14.

(6) Calhoun amendment (strike sec. 16b, page 12; relating to enforcement by injunction Motion to table prevailed by 92-51.

(7) Simmons amendment (Strike words "this act", page 13, line 16) adopted voice vote.

(8) Simmons amendment (Amend sec. 15a, line 2, page 12, by adding "with culpable intent between violates" and "a")

Simmons: Only adds requirement of culpable intent. Would protect people "back home" who innocently violate.

- (8a) Substitute amendment (Substitute "willfully" for "with culpable intent" and adds "knowingly" between "or" and "files" on line 3) adopted by voice vote.
- (9) Nugent amendment (Strike sec. 11, substitute language of HBI relating to duties of the commission) adopted by vote of 142-1.
- 10) Short amendment (Charge \$5 for registration) Motion to table prevailed 78-65.
- 11) Maloney amendment (To provide for supplying of copies of bills by lobbyists) Motion to table prevailed 85-57.
- 12) Howard amendment (Substitute for present bill)
Howard: This amendment tracks almost verbatim the federal statute controlling lobbyists. The bill as it now stands is unwieldy. It is unconstitutional in co-mingling the three branches of state government.
Motion to table amendment prevailed 85-~~56~~ 56
Nugent motion, correct miswording of Nugent amendment. Motion adopted.
- (13) Hale amendment to Committee amendment #1 (should read "persons contacting their own senators and representatives.", deleting all other members of state government.
Hale: Same as amendment brought up this morning with exception that speaker was included in morning amendment, not simply senators and representatives.
Bigam: Against. Shouldn't be limited to just senators and representatives.
Any person coming to visit any member of state government should not have to register as a lobbyist.
Substitute amendment to amendment adopted by vote of 116-27.
Committee amendment #1, as amended, adopted by voice vote.

Bill passed on second reading by vote of 116-27.

February 8 Bill on third reading:

- (1) Corrective amendment (punctuation and spelling) adopted.

Bill passed on third reading 114-25.

February 12 - First reading in Senate. Referred to Senate Jurisprudence Committee.

To: Leabe, Litras, SO, Anderson
From: Nancy Holmes
Re: Sample Speech on Amendment # 1
October 1 1973

Litras Ed

Amendment # 1; Sessions and Salaries

On November 5th the voters of Texas will go to the polls to decide on, hopefully the last 9 amendments or "patches" proposed for the Constitution of 1976. I would like to present for your deliberation the reasons why the League of Women Voters along with the Jaycees, Common Cause and many other civic, citizen type organizations are working for ~~the~~ ^{The} adoption of Amendment # 1.

Amendment #1 ~~recommends~~ ^{implements} 2 very important steps for modernizing our State government.

First: It provides that the legislature meet in regular session each year. It provides for a 180 day session in the odd-numbered years and a 60 day session limited to fiscal matters in the even-numbered years. At present the legislature is limited to one 140 day session every 2 years. The present provision for the Governor's convening 30 day emergency sessions ^{if necessary} would remain unchanged.

Secondly; It provides for a raise in the legislator's salary to \$15,000 annually and per diem of \$18.00 for the whole session. At present the legislator's salary is \$4,800 annually and the per diem is \$12.00 for ^{only} 120 ^{days} of the 140 day session.

Our legislators represent 11.5 million Texans, appropriate a \$9 billion biennial budget and consider approximately 2500 bills and ^{afford} resolutions. We can no longer ~~xxxxxx~~ to run our state on a biennial part-time basis. Even the legislative bodies of our cities, counties, and special districts (all of which are branches of state government) meet at least monthly (some weekly) ^{throughout the year} to meet the demands of their office. Surely the demands of the state are as continuous and the legislative process of the state is as continuous as the branches of its government. Legislative problems should be faced ^{as} ~~when~~ they

add in
here that
executive

+ judicial branches function continuously

page 2 Sample speech on Amendment #1

arise. ^{it is often the inability of} the state government ~~is unable~~ ^{that forces us to} to act efficiently and in a timely manner, ~~citizens will~~ turn inevitably to the federal government ^{for a solution to our problems -}

In 1950, 7 states had annual sessions. Today 39 of the 50 states have annual sessions. The frequency of special sessions called in Texas over the last 12 years verifies the need for regular annual sessions ^{in our state.} 1970 was the only year without a legislative session. 1972 had 4 special sessions.

Annual sessions would add to the continuity of the legislators experience and possibly reduce the the turnover. Freshmen legislators ^{regular} who now have only the one ~~ingixixixix~~ session to learn the legislative procedured, would have the second regular session to apply their experience, before having to run again for re-election. Second year sessions would begin with officers, membership and organization intact. The work of the interim committees would be acted upon by these legislators who have actually participated in the intensive study and the analysis of the problems. With annual sessions the legislature would have closer control of the operation of the state government, and would be in a position to respond more rapidly to the fluctuations in the economy, constantly changing federal programs, and the needs of local units of government. If we want our government to be attuned to the space age tempo, we must not limit our legislature to a horse and buggy schedule.

To serve ⁱⁿ the Texas legislature is a great honor ^{but it} and should not be a great financial burden. ~~Each~~ Each senator represents approximately 370,000 citizens. Each house member represents approximately 64,000 ^{Legislative} work long hours during the session, attend committee meetings, hearings, make speeches, give interviews, investigate, study ^{all this for \$4,800 per year.} and research on behalf of their constituents. ~~any~~ Texas ranks 35th of the 50 states in the percentage of state expenditures for legislators.

Compensation in other states ranges from \$100 annually in New Hampshire to \$19,200 in California as of 1972. Our present salary of \$4,800 annually was set in 1960. The Committee for Economic Development in a 1967 report recommended \$15,000 minimum and ~~at least~~ ^{salary for state legislators} \$25,000 in the larger states. In 1970 Texas ranked 4th in population and 7th in total state expenditures.

The recommended increase proposed by this amendment will cost approximately \$2 million annually for salaries and per diem. This amounts to about \$.18 per person. This ~~amount~~ ^{would} represent ^{only} a small percentage of our \$4.5 billion budget ^{particularly in view of the salary expenditures of the other branches.} ~~proposed~~ The increase in compensation is essential if we want our legislators to be less dependent upon special interest groups and more responsive to the citizens. It ~~would~~ encourage more persons from various sectors of Texas life to serve in the legislature. It would allow experienced legislators to continue to serve in office without undue personal financial sacrifice. It would relieve the lawmakers of the pressure of having to "make a living" at another occupation, ~~and~~ ^{and} ~~which~~ would allow them to spend more time on State business.

The League of Women Voters will be working ^{what which takes place} [during the Constitutional Convention] to remove the matter of legislative salaries from the Constitution altogether ^{legislative salaries is} after the election in November. But until ~~them~~ ^{are} ~~since~~ ~~xxxxx~~ presently a Constitutional matter, we ~~will be~~ ^{are} working for the passage of this Amendment #1. The four top elected officials of our State, Gov. Briscoe, Lt. Gov. Hobby, Speaker Daniels and Atty Gen. Hill have all endorsed ~~this~~ Amendment #1. We hope you will add your name to the list.

Our goal is adequately paid legislators working with sufficient time to serve the best interests of all the citizens of Texas.

To: Litras cc: SO, Braunagel, Holmes, Palmer, (Peters)
From: Brasher

2/22/73

HB 2 by John Bigham - Lobbying

House Committee Report
January 26, 1973 - 9 a.m.

Subcommittee on State Affairs
Bales, Chairman

Testimony For

Rep. Bigham (Author of HB 2): Submits 2 amendments to HB 2, Sec. 3 (3) changed to: Person on own behalf spending no more than \$150 one quarter, does not have to register

Sec. 6(b)(1) concerning breakdown of expenditures by lobbyists simply this breakdown research, postage, telegraph, production travel, etc. This lets the Ethics Commission interpret more, rather than setting out these requirements very specifically

Section 6(b)(2) \$500 changed to \$250. Section 6(b)(3) \$50 maximum to each legislator each month. Must indicate any over \$50.

ACTION TAKEN

Adoption of Committee amendments one and two, replacing Sec. 3 (3) and Section 6(b)(1)(2)(3).

Motion passed to report back to committee the bill as amended with the recommendation that it do pass.

House Committee Report
January 17, 1973 - 7:30 p.m.

Committee: State Affairs
Finney, Chairman

Testimony for:

Rep. Bigham: This bill deals with lobby regulation and sets up a State Ethics Commission. It strengthens the tightening of loopholes but I feel it is too stringent and have worked up some amendments for a subcommittee.

Testimony Against

Rep. Koriath: I am against this bill because of the money it would cost and because I think it more of an over-reaction. This asks that we window-dress ethics rather than being ethical.

Action Taken

HB 2 was referred to the subcommittee composed of Bales, Bird, Doran, Kaster, Mattox & Sage.

Amex, OTC slip

NEW YORK — Stock prices slipped on the American Stock Exchange and in Over-the-Counter trading Monday.

The price-change index on the Amex was down .11 at 24.60. Volume was 2.61 million shares compared with 2.43 on Friday.

Losing issues outdistanced advancers 584 to 287.

American Recreation Groups, Inc., was most-active on the Amex, down $\frac{1}{4}$ to 8 $\frac{1}{2}$. Most of the action came in a 99,900-share block traded at 8 $\frac{1}{2}$. Second-most-active was Child's World, off $\frac{1}{4}$ at 11 $\frac{1}{2}$. A 48,700-share block was traded at 11, and the company said it knew of no internal reasons for the decline.

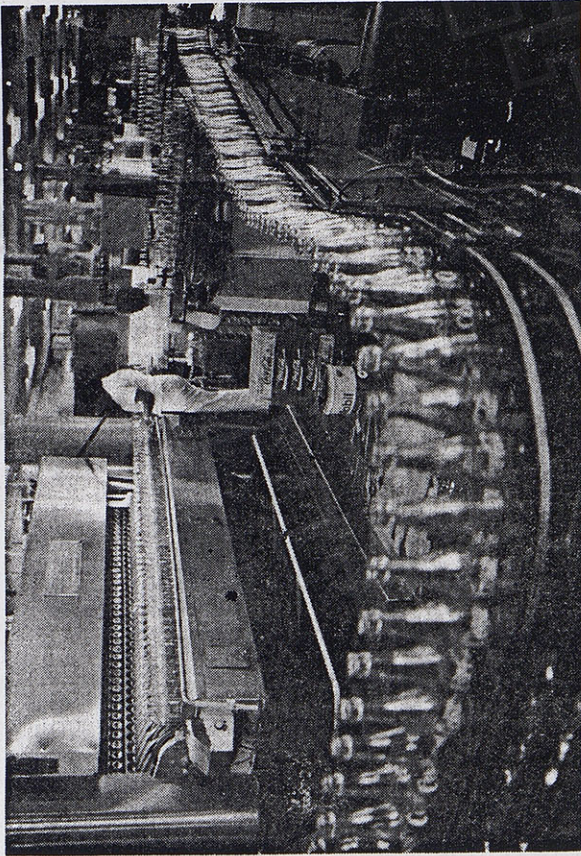
Third-most-active was WUI, Inc., down $\frac{1}{4}$ at 23 $\frac{1}{2}$. Another large block, this one for 50,000 shares, accounted for most of that action. It was traded at 23 $\frac{1}{2}$.

Lerner Stores slid $\frac{1}{4}$ to 22 $\frac{1}{2}$, and the warrants declined $\frac{1}{4}$ to 31 $\frac{1}{2}$. The loss came despite the company's report that its year ended Jan. 31, 1973, produced earnings of \$4.91 a share, compared with \$3.89 a share the year before.

P&A Industries gained 2 to 10 $\frac{1}{2}$ after Cadence Industries made a cash tender offer for all P&A shares it did not already own at \$10.00 a share. P&A already owns 53 per cent of the stock.

Cutter Laboratories Class A dropped 1 $\frac{1}{2}$ to 11 $\frac{1}{2}$, and Cutter Class B slid 17 to 12 $\frac{1}{2}$. The company announced it was going to recall some of its intravenous solutions.

In Over-the-Counter trading, the NASDAQ composite index was down 1.28 at 119.94. Declining issues overran advancing issues 1,297 to 271 in the 3,240 issues changing hands.



A system of conveyor belts keeps things moving at the Coca Cola Bottling Co. plant, 2800 Bissonnet. The bottles are washed (left) and then whisked to other stations where they will be filled and capped.—Post photo by Ray Covey

Business

Tuesday, March 20, 1973
THE HOUSTON POST

Southern National chairman elected

F. Max Schuette, president and chief executive officer of Southern National Bank, has been elected chairman of the bank's parent firm, Southern National Corp., the Houston-based bank holding company announced Monday.

Schuette succeeds Kline McGee, who has retired. Additionally, Houston investor Kenneth Franzheim, II, has been elected a director of the corporation.



SCHUETTE FRANZHEIM

Other corporate officers elected include: John H. Garfield Jr., vice president; William R. Boye, secretary; and Ronald D. DeMaers, assistant secretary.

In other business, rancher Adolf A. Fietler Jr. and Garner were elected advisory directors of the bank.

Further, the corporation reported a quarterly dividend of 12.5 cents per share payable April 2 to shareholders of record March 29.

Administration hits rate

HE ASKED THEM to be

said in a speech prepared for

Prime rate increase puts big dent in DJ

NEW YORK — Stock market prices took a nose dive Monday in response to a sharp boost in the prime lending rate by a number of banks.

The Dow Jones average of 30 industrials fell 10.59 to 952.06.

Investors brushed aside the possible good effects of the international monetary settlement and focused their attention on the $\frac{1}{2}$ per cent prime rate boost to 6 $\frac{1}{2}$ per cent, which was triggered by Manufacturers Hanover Trust.

"The prime-rate increase brought in more selling," said

Stock Exchange, dropping $\frac{1}{2}$ to 8 $\frac{1}{2}$. Trading was paced by a 126,600 share block at 8 down $\frac{1}{4}$.

Furniture, which recently reported higher earnings, was up $\frac{1}{4}$ to 14 $\frac{1}{2}$. General Motors, which said it did not plan to boost prices of its cars and trucks built in North America for the remainder of the 1973 model year unless forced to do so by economic events, fell $\frac{1}{4}$ to 72 $\frac{1}{2}$.

On the American Stock Exchange, the price-change index dropped 11 to -24 $\frac{1}{2}$ while the Big Board index dropped .16 to 59.99.

NYSE announces major reorganization plan

NEW YORK (UPI) — The New York Stock Exchange Monday announced a major reorganization of the exchange aimed at increasing its services and preparing for the exchange's role in the central market system.

The new plan consolidates all the ex-

Business highlights

Hughes Tool announces expansion

Hughes Tool Co. has announced a major expansion program for its tool joint production and fabrication facilities. The program will include additional buildings, machine tools and handling equipment.

The company currently estimates that the expansion will cost approximately \$7.5 million.

Funds earnings decrease

Funds, Inc., has reported 1972 net earnings of \$164,454 or 34 cents per share on revenues of \$1,872,224, as compared with earnings of \$233,455 or 48 cents per share on revenues of \$2,655,902 in 1971.

M & T income rises

M & T Mortgage Investors has announced earnings of \$443,154 or 28 cents

per share on income of \$902,516 for the fiscal quarter ended Feb. 28.

For the same period in the previous year, the Houston-based company reported net earnings of \$270,013 or 21 cents per share on gross income of \$334,320.

Dixilyn reports losses

Dixilyn Corp. has announced a net loss of \$145,385 or minus 7 cents per share on revenues of \$2,295,172 for the three months ended Jan. 31.

During the same period last year, the Houston-based oil drilling company reported earnings of \$200,238 or 10 cents per share on revenues of \$2,835,493.

Hysel earnings decline

Hysel, Inc., has announced a net loss in 1972 of \$2,265,663 or minus 38 cents per share on total sales of \$13,331,560.

In 1971, the Houston-based medical

supply company had earnings of \$2,487,237 or 46 cents per share on sale of \$18,143,673.

Coastal income higher

Coastal States Gas Producing Co. has reported net income of \$19,615,000 or \$1.02 per share for the six months ended Dec. 31, 1972.

For the same period in the previous year, the Corpus Christi-based company reported income of \$19,182,000 or \$1.01 per share.

Belgium curbs currency
BRUSSELS, Belgium (AP) — In an attempt to curb currency speculation, the Belgian government announced Monday that some foreigners would have to pay if they want to keep their money in the banks.

Capital National reports 5 pending bank charters



AMERICAN EXPRESS

5 pending bank charters

The Capital National Corporation, parent firm to the Capital National Bank of Houston, currently has five new bank charters pending before the Comptroller of the Currency, Love Baker, Capital National president, said Monday.

Baker, who made his comments during an annual Capital National stockholder meeting, said that the proposed bank charters are for branches in the western and northern portions of the Houston area.

Charters are proposed for the Jersey Village National Bank, West Belt at Northwest Freeway; Westgate National Bank, Phenom at the Northwest Freeway; West Loop National Bank, 2100 West Loop South; First National Bank of Legey City, FM 518 at Gulf Freeway; and West Capital National Bank, Dairy Ashford at Westheimer.

Baker also noted that Capital National has acquired 25 percent of the outstanding shares of Northwest National Bank for the Northwest Mall, and approval from regulatory authorities for Capital National to open an offshore branch bank in the Cayman Islands, British West Indies.



Larry W. Pugh has been named vice president of Great Southern Bank, it was announced Monday by bank president Charles R. Hrdlicka.

Chrysler raises price s an average of \$42

DETROIT — Chrysler government-imposed fringe benefits, freight costs, and raised the price of options 1.25 per cent, is effective Monday.

The company estimated the average cost of the government ordered measures at \$42 per vehicle.

A company spokesman said Chrysler said there would be no further increases in the cost of 1973 cars, "barring unforeseen and unusual circumstances."

The price hike, which raised the price of options 1.25 per cent, is effective Monday.

"I needed hotel rooms in North Dakota, South Dakota, Wyoming and Montana!"

Fred Whyte reserved good rooms in all four states with a single phone call to Space Bank.

Fred Whyte sometimes travels to as many as 12 states. That's his territory as regional sales manager of Still American, Inc., a major importer of chain saws.

He's become a confirmed fan of Space Bank, the worldwide American Express Reservations system.

Space Bank is in the business of solving reservation problems for travelers, without charging them a penny.

We can reserve a comfortable room for you in over 4,000 hotels and motor inns in 53 countries. Including space in such excellent places as: Admiral Benbow, Americana, Best Western and Del Webb. And have a Hertz or Avis car waiting at the airport.

You can even guarantee the room right on the phone, using your American Express Card. In Houston call 229-8751.



AMERICAN EXPRESS

Circle 10 on Reader Service

HE ASKED THEM to be prepared to present up-to-date information on costs they believe justify the 1/2-point increase.

Patman accused the administration of flouting its responsibility to control the cost of money under wage-price legislation and vowed to make the prime increases a major issue when his committee considers extension of control powers.

"Anyone capable of tracking an elephant in the snow ought to be able to spot the conspiracy to violate antitrust laws in the setting of the prime rate," said the Texas Democrat.

"ONCE AGAIN, we will see the big banks move together on this increase and the Justice Department will sit idly by and make no attempt to prevent the financial institutions from manipulating the rates in concert," Patman said.

prices, and that competition from the American dollar in the grain pits. However, buyers who expect the wheat market to be tight over the next few months also contributed to the north American wheat market.

Grain Table — Monday, March 19, 1973. Chicago (AP) — Monday, March 19, 1973. Wheat, 1972-73 crop, 1973-74 crop, 1974-75 crop.

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Commodity prices

domestic interest rates may serve as a lure for foreign investment in the U.S. and thus help stabilize the international monetary situation by bringing dollars back into the country.

Manufacturers Hanover Trust Co. of New York, the nation's fourth largest bank, was the first to announce a rate increase. It was followed by a number of banks from coast to coast.

The prime, an indicator of the availability of credit, reached a historic high of 8 1/2 per cent in June, 1969, during the recession.

Monday's 1/2-point jump was the biggest single increase since July, 1971, when banks boosted the rate from 5 1/2 to 6 per cent. The prime began declining after that and dipped to a low of 4 1/2 per cent in early 1972 before edging up again.

IT ROSE TO the politically sensitive 6 per cent level in December and the Nixon administration waged a "jaw-bone campaign" to keep it there. But on Feb. 26 the Committee on Interest and Dividends, which had balked at an earlier attempt by a few banks to raise the prime to 6 1/2 per cent, relented and the higher rate became industry-wide.

The committee required, however, that any future increase be justified by increases in the cost of deposits or other funds obtained by banks.

Burns, who is also chairman of the interest committee, expressed the administration's displeasure with officials Thursday in Washington.

"It is by no means clear that the increase in the prime rate is consistent with the committee's criteria," he said in telegrams to the banks.

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Live Beef Cattle — Monday, March 19, 1973. Chicago (AP) — Monday, March 19, 1973. Wheat, 1972-73 crop, 1973-74 crop, 1974-75 crop.

Live Beef Cattle — Monday, March 19, 1973. Chicago (AP) — Monday, March 19, 1973. Wheat, 1972-73 crop, 1973-74 crop, 1974-75 crop.

Live Beef Cattle — Monday, March 19, 1973. Chicago (AP) — Monday, March 19, 1973. Wheat, 1972-73 crop, 1973-74 crop, 1974-75 crop.

Live Beef Cattle — Monday, March 19, 1973. Chicago (AP) — Monday, March 19, 1973. Wheat, 1972-73 crop, 1973-74 crop, 1974-75 crop.

Live Beef Cattle — Monday, March 19, 1973. Chicago (AP) — Monday, March 19, 1973. Wheat, 1972-73 crop, 1973-74 crop, 1974-75 crop.

Live Beef Cattle — Monday, March 19, 1973. Chicago (AP) — Monday, March 19, 1973. Wheat, 1972-73 crop, 1973-74 crop, 1974-75 crop.

Live Beef Cattle — Monday, March 19, 1973. Chicago (AP) — Monday, March 19, 1973. Wheat, 1972-73 crop, 1973-74 crop, 1974-75 crop.

Live Beef Cattle — Monday, March 19, 1973. Chicago (AP) — Monday, March 19, 1973. Wheat, 1972-73 crop, 1973-74 crop, 1974-75 crop.

Live Beef Cattle — Monday, March 19, 1973. Chicago (AP) — Monday, March 19, 1973. Wheat, 1972-73 crop, 1973-74 crop, 1974-75 crop.

Live Beef Cattle — Monday, March 19, 1973. Chicago (AP) — Monday, March 19, 1973. Wheat, 1972-73 crop, 1973-74 crop, 1974-75 crop.

Live Beef Cattle — Monday, March 19, 1973. Chicago (AP) — Monday, March 19, 1973. Wheat, 1972-73 crop, 1973-74 crop, 1974-75 crop.

Live Beef Cattle — Monday, March 19, 1973. Chicago (AP) — Monday, March 19, 1973. Wheat, 1972-73 crop, 1973-74 crop, 1974-75 crop.

Live Beef Cattle — Monday, March 19, 1973. Chicago (AP) — Monday, March 19, 1973. Wheat, 1972-73 crop, 1973-74 crop, 1974-75 crop.

Live Beef Cattle — Monday, March 19, 1973. Chicago (AP) — Monday, March 19, 1973. Wheat, 1972-73 crop, 1973-74 crop, 1974-75 crop.

List of Texas lobbyists released by House clerk

[illegible]

[illegible]

3rd Reading
ENGROSSED

By: Bigham, Preston, Temple, et al

H.B. No. 2

A BILL TO BE ENTITLED

AN ACT

relating to the activities, registration, and reporting requirements of persons engaging in activities designed to influence legislation or administrative action; creating a state ethics commission and prescribing its organization, powers and duties; providing for enforcement of the Act; providing penalties; prohibiting certain acts; repealing Chapter 9, Acts of the 55th Legislature, 1st Called Session, 1957 (Article 183-1, Vernon's Texas Penal Code); repealing Chapter 12, Acts of the 55th Legislature, 1st Called Session, 1957 (Article 183-2, Vernon's Texas Penal Code); and declaring an emergency.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Section 1. POLICY. The legislature declares that the operation of responsible democratic government requires that the fullest opportunity be afforded to the people to petition their government for the redress of grievances and to express freely to individual members of the legislature, to committees of the legislature, and to members of the executive branch, their opinions on legislation, on pending executive actions, and on current issues. To preserve and maintain the integrity of the legislative and administrative processes, it is necessary that the identity, expenditures, and activities of certain persons who engage in efforts to persuade members of the legislative branch or executive branch to take specific actions, either by direct communication to such officers or by solicitation of others to engage in such

1 efforts, be publicly and regularly disclosed.

2 Sec. 2. DEFINITIONS. As used in this Act:

3 (1) "Person" means an individual, corporation, association,
4 firm, partnership, committee, club, or other organization, or
5 group of persons.

6 (2) "Legislation" means any matter which must be acted
7 upon by one or both Houses of the Legislature to become effective.

8 (3) "Legislative branch" means a member, member-elect,
9 candidate for, or officer of the legislature or a legislative
10 committee, or an employee of the legislature or a member of the
11 legislature.

12 (4) "Executive branch" means an officer, officer-elect,
13 candidate for, or employee of any state agency, department, or
14 office in the executive branch of government.

15 (5) "Administrative action" means the making of any
16 recommendation, report, or decision, or the taking of any official
17 action by one or more members of the executive branch, including
18 a decision to postpone a decision or action.

19 (6) "Communicates directly with" means contact in person
20 or by telephone, telegraph, or letter.

21 (7) "Compensation" means money, service, facility, or thing
22 of value or financial benefit which is received or to be received
23 in return for or in connection with services rendered or to be
24 rendered.

25 (8) "Expenditure" means a payment, distribution, loan,
26 advance, reimbursement, deposit, or gift of money or any thing

1 of value, and includes a contract, promise, or agreement, whether
2 or not legally enforceable, to make an expenditure.

3 (9) "Commission" means the State Ethics Commission.

4 Sec. 3. PERSONS REQUIRED TO REGISTER. (a) The following
5 persons must register with the commission as provided in Section
6 5 of this Act:

7 (1) a person who makes a total expenditure in excess of
8 \$150 in a calendar quarter, not including his own travel expenses
9 or membership dues, for communicating directly with or reimbursing
10 another to communicate directly with one or more members of the
11 legislative or executive branch to influence legislation or
12 administrative action;

13 (2) a person who makes a total expenditure in excess of
14 \$150 in a calendar quarter, not including membership dues, to
15 solicit other persons by an advertising campaign to communicate
16 directly with one or more members of the legislative or executive
17 branch to influence legislation or administrative action;

18 (3) a person who pays compensation to or receives
19 compensation from another to communicate directly with a member
20 of the legislative or executive branch to influence legislation
21 or administrative action; and

22 (4) a person who receives reimbursement from another to
23 communicate directly with a member of the legislative or executive
24 branch to influence legislation or administrative action.

25 (b) A person, other than a member of the legislative or
26 executive branch, who as any part of his regular employment

1 attempts to communicate directly with a member of the legislative
2 or executive branch to influence legislation or administrative
3 action, whether or not any compensation in addition to the salary
4 for that regular employment is received for the communication,
5 must register under Paragraph (3), Subsection (a) of this section.

6 Sec. 4. EXCEPTIONS. The following persons are not required
7 to register under the provisions of this Act:

8 (1) persons who own, publish, or are employed by a newspaper
9 or other regularly published periodical, or a radio station,
10 television station, wire service, or other bona fide news medium
11 which in the ordinary course of business disseminates news, letters
12 to the editor, editorial or other comment, or paid advertisements
13 which directly or indirectly oppose or promote legislation or
14 administrative action, if such persons engage in no further or
15 other activities and represent no other persons in connection
16 with influencing legislation or administrative action;

17 (2) persons appearing before a legislative committee at
18 the invitation of the committee and who receive no compensation
19 for their appearance other than reimbursement from the state for
20 expenses and engage in no further or other activities to influence
21 legislation;

22 (3) persons contacting their own senators and
23 representatives and who do not spend in excess of \$150 per quarter,
24 not including travel expenses, for direct communication to
25 influence legislation;

26 (4) attorneys representing a client with whom they have

1 an attorney-client relationship before a member of the executive
2 branch for compensation in a legal matter; and

3 (5) persons who act as pastor or assistant pastor of a
4 church, synagogue, or other religious body or members of the staff
5 of such persons who in the normal course of performing their
6 duties within that body, either directly or by comment in a church
7 bulletin or other publication admonish their parishioners to
8 support or oppose certain legislation or administrative action.

9 Sec. 5. REGISTRATION. (a) Every person required to
10 register under Section 3 of this Act shall file a registration
11 form with the commission within two days of the first undertaking
12 requiring registration except as otherwise provided herein.

13 (b) The registration shall be written, verified, and shall
14 contain the following information:

- 15 (1) the registrant's full name and address;
16 (2) the registrant's normal business and business address;
17 (3) the full name and address of each person, whether or
18 not an employee:

19 (A) who will directly communicate with a member of the
20 legislative or executive branch to influence legislation or
21 administrative action for the registrant;

22 (B) by whom the registrant is retained or employed to
23 directly communicate with a member of the legislative or executive
24 branch to influence legislation or administrative action; and

25 (C) on whose behalf the registrant is to communicate
26 directly with a member of the legislative or executive branch to

1 (1) the total expenditures made by the registrant or by
2 another person for the registrant for directly communicating with
3 a member of the legislative or executive branch to influence
4 legislation or administrative action. Such report shall include
5 a breakdown of expenditures into the following categories:

6 (A) research;

7 (B) postage and telegraph;

8 (C) publication and advertising;

9 (D) travel, salaries, and fees; and

10 (E) entertainment;

11 (2) the full name and address of each person who made a
12 contribution or paid a membership fee in excess of \$250 per year
13 to the registrant regardless of whether it was paid solely to
14 influence legislation or administrative action, but the name and
15 address of the person making the contribution or paying the
16 membership fee shall be reported in the reporting period during
17 which the payment or aggregate payments exceed \$250;

18 (3) the name of each member of the legislative or executive
19 branch or other registrant who received from the registrant or
20 an officer or official of the registrant an honorarium, gift,
21 loan, political contribution, service, or thing of value or series
22 or combination of gifts, honorariums, loans, political
23 contributions, services, or things of value in an amount of value
24 or aggregate amount of value in excess of \$50 during a month the
25 legislature was in session or in excess of \$150 during a calendar
26 quarter except food or beverage consumed in conjunction with general

1 influence legislation or administrative action; and

2 (4) a specific description of the matters on which the
3 registrant expects to communicate directly with a member of the
4 legislative or executive branch to influence legislation or
5 administrative action, including, if known, the bill numbers and
6 whether the registrant supports or opposes each bill listed.

7 (c) If a registrant's activities are done on behalf of the
8 members of a group other than a corporation, the registration
9 form shall include a statement of the number of members of the
10 group and a full description of the methods by which the registrant
11 develops and makes decisions about positions on policy.

12 (d) A registrant shall file a supplemental registration
13 indicating any change in the information contained in the
14 registration within five days after the date of the change.

15 Sec. 6. ACTIVITIES REPORT. (a) Every person registered
16 under Section 5 of this Act shall file with the commission a
17 report concerning the activities set out in Subsection (b) of
18 this section. The report must be filed:

19 (1) between the 1st and 10th day of each month subsequent
20 to a month in which the legislature is in session covering the
21 activities during the previous month; and

22 (2) between the 1st and 10th day of each month immediately
23 subsequent to the last month in a calendar quarter covering the
24 activities during the previous quarter.

25 (b) The report shall be written, verified, and contain the
26 following information:

1 receptions, to which no admission charge or donation fee is
2 required and are not held in honor of or for the specific benefit
3 of a member of the legislative or executive branch, or convention
4 or meeting, and a description of the honorariums, gifts, loans,
5 political contributions, services, or things of value; and

6 (4) a list of legislation or administrative action supported
7 or opposed by the registrant, by an employee of the registrant,
8 or by any person retained or employed by the registrant or
9 appearing on his behalf, together with a statement of the
10 registrant's position for or against such legislation or
11 administrative action.

12 (c) Each person who made expenditures on behalf of a
13 registrant that are required to be reported by Subsection (b) of
14 this section shall provide a full account of his expenditures to
15 the registrant at least seven days before the registrant's report
16 is due to be filed.

17 Sec. 7. TERMINATION NOTICE. (a) A person who ceases to
18 engage in activities requiring him to register under Section 3
19 of this Act shall file a written, verified statement with the
20 commission acknowledging the termination of activities. The
21 notice is effective immediately.

22 (b) A person who files a notice of termination under this
23 section must file the reports required under Section 6 of this
24 Act for any reporting period during which he was registered under
25 this Act.

26 Sec. 8. DUTY TO FILE. If a person other than an individual

1 is required to file any registration or report under this Act,
2 the officers, or persons performing the duties of the officers,
3 have the duty to cause the person to file the required reports.

4 Sec. 9. MAINTENANCE OF REPORTS. (a) All reports filed
5 under this Act are public records and shall be made available for
6 public inspection during regular business hours.

7 (b) The commission shall provide appropriate forms to be
8 used for the registration and reporting of information required
9 by this Act, maintain registrations and reports in a separate,
10 alphabetical file, purge the files of registrations and reports
11 after five years from the date of filing, and maintain a deputy
12 available to receive registrations and reports and make such
13 registrations and reports available to the public for inspection.

14 Sec. 10. STATE ETHICS COMMISSION. (a) The State Ethics
15 Commission is created, consisting of 12 members appointed as
16 follows:

17 (1) two individuals appointed by the chief justice of the
18 supreme court;

19 (2) two individuals appointed by the presiding judge of
20 the court of criminal appeals;

21 (3) two individuals appointed by the attorney general;

22 (4) two individuals appointed by the governor;

23 (5) two individuals appointed by the speaker of the house
24 of representatives; and

25 (6) two individuals appointed by the lieutenant governor.

26 (b) No member of the commission may be a state officer,

1 a state employee, or a person required to be registered under
2 this Act.

3 (c) Except for the initial appointee, members serve
4 staggered terms of six years each. Terms expire on January 31
5 of odd-numbered years. In making the initial appointment, the
6 term of one member appointed by the chief justice of the supreme
7 court, by the presiding judge of the court of criminal appeals,
8 by the attorney general, and by the governor expires on January
9 31, 1975; the term of one member appointed by the chief justice
10 of the supreme court, by the presiding judge of the court of
11 criminal appeals, by the speaker of the house of representatives,
12 and by the lieutenant governor expires on January 31, 1977; and
13 the term of one member appointed by the attorney general, by the
14 governor, by the speaker of the house of representatives, and by
15 the lieutenant governor expires on January 31, 1979. The person
16 making the initial appointments shall designate the expiration
17 date of the terms of each member in accordance with this
18 subsection.

19 (d) Each appointee to the commission shall qualify by
20 taking the constitutional oath of office within 15 days from the
21 date of his appointment. On presentation of the oath, the
22 secretary of state shall issue commissions to appointees as
23 evidence of their authority to act as members of the commission.

24 (e) The state officers authorized to appoint members to
25 the commission may reappoint one member whom they previously
26 appointed to the commission. However, they may not reappoint a

1 person who is completing a term as a member of the commission and
2 who was originally appointed by another state officer. No person
3 may serve more than two terms as a member of the commission.

4 (f) The commission shall elect from its members a chairman
5 to serve a term of two years.

6 (g) Members of the commission shall be reimbursed for
7 actual expenses incurred in the performance of their duties and
8 shall receive \$50 per diem for each day spent in the performance
9 of their duties.

10 Sec. 11. POWERS AND DUTIES OF THE COMMISSION. (a) The
11 commission may make rules to govern its proceedings consistent
12 with this Act.

13 (b) The commission may investigate alleged violations of
14 this Act.

15 (c) On the request of a state officer, or any person
16 required to file a financial statement, registration, or activities
17 report under the provisions of this Act, the commission shall
18 issue an advisory opinion with regard to the applicability of
19 this Act to actual or hypothetical circumstances. An advisory
20 opinion shall be confidential if so requested. The commission
21 may also issue advisory opinions on its own initiative. For the
22 purpose of providing guidelines for the conduct of persons covered
23 by this Act, the commission shall compile and publish its advisory
24 opinions periodically. In its publication the commission shall
25 alter the confidential opinions to the extent necessary to conceal
26 the identity of the persons requesting them. It is a defense to

1 any prosecution under this Act that the act alleged to be an
2 offense was, when committed, permissible under a currently
3 effective advisory opinion issued by the commission.

4 (d) Acts of the commission require the concurrence of a
5 majority of the members.

6 (e) The commission may employ an executive director and
7 other personnel necessary to carry out the provisions of this
8 Act.

9 (f) Compensation for employees of the commission and the
10 funds for the costs of administering this Act shall be as provided
11 by legislative appropriation.

12 (g) The commission may prepare and publish, from time to
13 time, summaries of statements received and other appropriate
14 reports.

15 (h) The commission shall:

16 (1) accept and file any information voluntarily submitted
17 that exceeds the requirements of this Act;

18 (2) develop a filing, coding, and cross-indexing system
19 for the material filed with the commission under this Act; and

20 (3) make public reports and public statements filed with
21 the commission available for inspection and copying during regular
22 office hours, and make copying facilities available free of charge
23 or at a charge not to exceed actual cost.

24 Sec. 12. OATHS, DEPOSITIONS, AND SUBPOENAS. (a) For the
25 purpose of enforcing and administering this Act, the commission
26 may:

1 (1) administer oaths;
2 (2) certify to official acts;
3 (3) take depositions within or without the state;
4 (4) issue subpoenas to compel the attendance of witnesses
5 and the production of pertinent books, accounts, records, and
6 documents.

7 (b) No subpoena may be issued pertaining to any
8 investigation until the commission adopts a resolution by a
9 majority vote defining the nature and scope of the investigation.

10 (c) If a witness refuses to obey a subpoena or to produce
11 any pertinent books, accounts, records, or documents named in a
12 subpoena and in his possession or control, or if a witness in
13 attendance before the commission refuses without reasonable cause
14 to be examined or to answer any question relevant to proper inquiry
15 by the commission, then the commission shall certify the facts
16 and the name of the witness to a district court of the county in
17 which the witness resides or Travis County.

18 (d) The court shall immediately issue proper summons to
19 the witness to appear before the commission at a designated place
20 within the county and on a designated day, and give whatever
21 evidence is required by the commission for the enforcement of
22 this Act, including pertinent books, accounts, records, and
23 documents. If the witness fails or refuses to give the evidence,
24 the court shall examine him under oath and give him an opportunity
25 to be heard. If the court determines that the witness has refused
26 without reasonable cause or legal excuse to be examined, or to

1 answer a question relevant to proper inquiry by the commission,
2 or to produce any pertinent books, accounts, records, or documents,
3 then the court shall punish the witness for contempt.

4 Sec. 13. FILING A COMPLAINT. (a) Any person may file a
5 verified written complaint with the commission, stating the name
6 of the individual alleged to have violated this Act and a
7 description of the alleged violation. On receipt of a complaint,
8 the commission shall promptly furnish the alleged violator,
9 referred to in this Act as the respondent, a copy of the complaint.
10 The respondent is entitled to make copies of all evidence in the
11 possession of the commission with regard to the complaint.

12 (b) No complaint may be filed more than two years after
13 the date of the alleged violation.

14 Sec. 14. PRELIMINARY INVESTIGATION. (a) On receipt of
15 a complaint, the commission shall determine whether or not the
16 complaint alleges facts, directly or upon information and belief,
17 sufficient to constitute a violation of this Act.

18 (b) If the commission determines that the complaint does
19 not allege facts sufficient to constitute a violation of this
20 Act, it shall dismiss the complaint and notify the complainant
21 and respondent in writing of its action.

22 (c) If the commission determines that the complaint alleges
23 facts sufficient to constitute a violation of this Act, the
24 commission shall conduct in executive sessions a preliminary
25 investigation of the alleged violation.

26 (d) If the preliminary investigation shows that probable

1 cause does not exist for believing the allegations of the
2 complaint, the commission shall dismiss the complaint and notify
3 in writing the complainant and respondent of its action.

4 (e) If the preliminary investigation shows that probable
5 cause does exist for believing the allegations of the complaint,
6 the commission shall fix a time for a hearing in the matter which
7 shall be not less than 30 nor more than 60 days after the date
8 of finding probable cause. The commission shall cause written
9 notice to be served on the complainant and the respondent stating
10 the time and place of the hearing and the charges against the
11 respondent. The notice must be served at least 40 days prior to
12 the date set for the hearing and may be given by certified mail,
13 return receipt requested, to the last known address of the
14 respondent and of the complainant.

15 Sec. 15. HEARING. (a) At the hearing the respondent has
16 the right to appear personally or by counsel, or both, to produce
17 witnesses, to have subpoenas issued by the commission, to introduce
18 evidence, and to cross-examine opposing or adverse witnesses.

19 (b) The hearing shall be open to the public.

20 Sec. 16. RIGHT OF PERSONS NAMED OR ADVERSELY AFFECTED.

21 Any officer or other person whose name is mentioned at any
22 investigation or hearing of the commission and who believes that
23 testimony has been given which adversely affects him shall have
24 the right to testify and, at the discretion of the commission,
25 to file a statement of facts under oath relating solely to the
26 material relevant to the testimony of which he complains.

1 Sec. 17. FINDINGS OF FACT; REPORT. (a) After the hearing,
2 the commission shall state its findings of fact in writing.

3 (b) If the commission finds that the respondent has not
4 violated a provision of this Act, the commission shall notify the
5 respondent and complainant and dismiss the proceeding.

6 (c) If the commission finds that the respondent has violated
7 a provision of this Act, it shall notify the respondent and
8 complainant and submit a written report of its findings to the
9 district attorney of the county in which the offense is alleged
10 to have occurred. It shall also send a copy of its report to the
11 complainant, respondent, and the Attorney General of the State
12 of Texas.

13 (d) Any report issued by the commission shall be a public
14 record.

15 Sec. 18. CONFIDENTIAL INVESTIGATION RECORDS. The commission
16 shall maintain a record of its investigations and inquiries. All
17 such information, records, and documents shall be deemed
18 confidential and shall not be open to inspection by any person
19 other than a member, agent, or employee of the commission.
20 However, the commission, by adoption of a resolution, may authorize
21 release to the attorney general or to the district attorney of
22 the appropriate county of any information, records, complaints,
23 documents, reports, and transcripts in its possession material
24 to any matter pending before the attorney general or the district
25 attorney. All matters presented at a public hearing of the
26 commission and all reports of the commission stating a final

1 findings of fact shall be public records and open to public
2 inspection.

3 Sec. 19. PENALTY. (a) If any person knowingly and wilfully
4 violates a provision of this Act or files false information on
5 any report or registration under this Act, he shall be guilty of
6 a misdemeanor and on conviction punishable by a fine of not more
7 than \$1,000, if an individual, or of not more than \$10,000 if a
8 person other than an individual, or confinement in the county
9 jail for not more than two years, or both.

10 (b) A person who pays compensation to another, reimburses
11 another, makes an expenditure, or makes an expenditure to solicit
12 others to engage in direct communication with a member of the
13 legislative or executive branch and who fails to file the
14 registration form or activities report required by Section 3 or
15 6 of this Act, in addition to any other penalty, shall pay to the
16 state an amount equal to three times the compensation,
17 reimbursement, or expenditure.

18 (c) A person who receives compensation or reimbursement
19 for engaging in direct communication to influence legislation or
20 administrative action and who fails to file the registration form
21 or action report required by this Act, in addition, shall pay to
22 the state an amount equal to three times the compensation or
23 reimbursement.

24 Sec. 20. FALSE COMMUNICATIONS. No person may knowingly
25 or wilfully make any false statement or misrepresentation of the
26 facts to a member of the legislative or executive branch or,

1 knowing a document to contain a false statement, cause a copy of
2 the document to be received by a member of the legislative or
3 executive branch without notifying such member in writing of the
4 truth.

5 Sec. 21. CONTINGENT FEES. No person may retain or employ
6 another person to influence legislation for compensation contingent
7 in whole or in part on the passage or defeat of any legislation,
8 or the approval or veto of any legislation by the governor, and
9 no person may accept any employment or render any service for
10 compensation contingent on the passage or defeat of any legislation
11 or the approval or veto of any legislation by the governor.

12 Sec. 22. ADMISSION TO FLOORS. No person who is registered
13 or required to be registered under the provisions of this Act may
14 go on the floor of either house of the legislature while that
15 house is in session except on invitation of that house.

16 Sec. 23. ENFORCEMENT. (a) The provisions of this Act may
17 be enforced by the attorney general or any county or district
18 attorney.

19 (b) A district court in Travis County may issue an
20 injunction to enforce the provisions of this Act on application
21 by any citizen of this state.

22 Sec. 24. VENUE. The venue for a proceeding under this Act
23 is a district court of Travis County and of the county of the
24 defendant's residence.

25 Sec. 25. REPEALER. Chapter 9, Acts of the 55th Legislature,
26 1st Called Session, 1957 (Article 183-1, Vernon's Texas Penal

Code), and Chapter 12, Acts of the 55th Legislature, 1st Called Session, 1957 (Article 183-2, Vernon's Texas Penal Code), are repealed.

Sec. 26. PROVISIONS CUMULATIVE. This Act is cumulative of Title 5, Chapter One, Articles 158, 159, 160, 161, 162, 177, and 178, of the Penal Code of Texas, and shall not be construed as repealing any provision thereof.

Sec. 27. INITIAL REGISTRATION. On the effective date of this Act, any person required to register under Section 3 of this Act shall file his registration with the State Ethics Commission within 15 days after the effective date of creation of the commission.

Sec. 28. SEVERABILITY. If any provision of this Act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are declared to be severable.

Sec. 29. EMERGENCY. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Scrap Texas lobby law and start over



By Felton West
State Capital Bureau

AUSTIN — It probably doesn't have a ghost of a chance this session, but Rep. Bob Gannage and Sen. Jim Wallace of Houston introduced a bill last week that ought to be broadened and given a high priority by the next Legislature.

It would overhaul the lobby registration and expense reporting law of 1957, which needs overhauling as badly as anything the Legislature ever passed. As drafted now, their bill would be a considerable improvement, but even more sweeping change is needed. The 1957 law ought to be junked and a new model built.

There being only three weeks left in this Legislature's regular session, all the Houston lawmakers are likely to accomplish before adjournment is to put a spotlight on weaknesses of the present law.

Wallace says he plans to offer the bill as an amendment to the pending ethics statute, which is now bogged down in the Senate State Affairs Committee. If and when that bill comes back on the Senate floor, but most likely it will not be added, since there has been no campaigning for tightening up lobby registration all session despite the sound and fury about legislative ethics.

We'd suggest that they try to build up steam for the Legislature to create an interim study committee to make a thorough study of weaknesses of the 1957 law and come back with a complete, stronger substitute for passage in 1973 — or perhaps in the expected 1972 special session.

Their bill, as now proposed, would require lobbyists to be registered on a year-round basis and report all their expenditures made to or for the benefit of members of the Legislature, the governor or the lieutenant governor. It would add to present law the requirement that

these expenditures be itemized and include campaign contributions.

Expenditures would have to be reported monthly while the Legislature was in session, then each Dec. 31 for months when the Legislature was not in session.

This would give meaning to a lobby registration law that is now almost worthless because it is vague and has loopholes big enough to throw the Capitol through.

In its spirit — if not its provisions — are violations daily without any fear of retribution.

It requires reporting of expenditures for "direct communication," meaning "any personal appearance before a legislative committee, or any personal contact with any member of the Legislature, the governor or lieutenant governor, during a session of the Legislature, to argue for or against pending legislation, or any action thereon by the Legislature," the governor or the lieutenant governor.

But all a lobbyist has to do is make a sworn statement that his "total ex-

Post / commentary

problems



By Joseph Alsop

Pawns to a Soviet marshal

The political situation

Yet they are in pawn all the same. This is simply because they have taken positions, publicly, persistently and, one would guess, irrevocably, that nakedly expose them to Marshal Gromyko's initiatives. Because of their records on national defense and foreign policy, in fact, "defense and foreign policy, in fact, they are in pawn all the same."

He can make handsome campaign contributions to every incumbent legislator throughout the state at election time and nobody knows the difference because of the lobbyist registration law. True, the candidates should be reported by the candidates. But if they are, an elaborate state-wide check of candidates' reports has to be made to learn that one lobbyist tried to influence the make-up of the whole Legislature.

If a candidate forgot a contribution, a friendly lobbyist's required report could be a cross-check on his memory. The lump-sum reporting now is a farce.

Would you believe that only 100 registered lobbyists have filed spending reports for January, February and March of this session? (April reports are not yet completed.) Would you believe that these 100 lobbyists have spent only the grand sum of \$33,126.07 for "direct communication" in that time?

That is what they have reported, but we don't believe it, either. That wouldn't even pay the food and liquor bills.

Some of the biggest fat-cat lobbyists here, if you can believe their reports, haven't spent enough to take a half-dozen legislators to dinner.

The ridiculous law has caused more than 1,600 people to register as lobbyists this year.

The bulk of them are no more lobbyists than your next-door neighbor. They are school teachers, policemen, labor unionists and others who came to Austin to talk to their legislators or testify once or twice for some bill, and then went back home and resumed their daily hum-drum. Many didn't know they didn't

have to register, so they did. Some probably thought it would be fun to tell their everyday associates they were "registered lobbyists."

The 100 who have filed spending reports are much closer to the number of real lobbyists, but there are others who should be reporting lobbying expenses and are not and even some real lobbyists who haven't even bothered to register.

Then some of the real ones who have registered have done it so well it doesn't tell you a thing. Increasingly, important lobbyists who are members of law firms, including some big firms in Houston, are just recording that they represent their firms' clients. Since they have scores of clients, that helps a lot.

When these and other lobbyists ignore the requirement that they state upon registration the legislation in which they are interested and just put down "all legislation," that's another major contribution to the field of knowledge.

In contrast, even Sens. Hubert H. Humphrey of Minnesota and Edmund Muskie of Maine have been paying blackmail with both hands to the ideologically frenzied "peace" wing of their own party. Their calculation, obviously, is that they cannot win the Democratic presidential nomination if the extreme left-wing Democrats are against them.

As matters stand, Muskie and Humphrey are probably right about this. Certainly all the other Democratic hopefuls have gone even further than Muskie and Humphrey, with the sole exception of McGovern, with no serious purpose in mind. But without regard to the not-so-blackmail, "oh,

stances are by no means normal. The hallmark of the present, instead, is the really staggering Soviet effort to attain overwhelming nuclear-strategic superiority over this country. And this effort is also combined with an equally intense Soviet effort to attain superiority in conventional military realms, especially at sea.

With all his professional military bias, even the Soviet defense minister would hardly be making the immense investments needed by these great efforts if he had no serious purpose in mind. Certainly, Mr. Gromyko's

S.B. 150

Introduced by Mauzy

Referred to Committee on Privileges and Elections

Regulation of campaign contributions and expenditures.

A political committee(a combination of 2 or more persons who aid or promote the success or defeat of one or more candidates for public office), designates a treasurer to handle contributions and expenditures. The treasurer must register with the Secretary of State within 5 days to accept campaign money. The sworn statement must include gifts, loans or anything of value and include debts incurred by the committee. He is subject to fine or imprisonment for violations.

Any candidate who permits or assents to violations by the committee or anyone working for him shall have his name removed from the ballot. Persons making contributions of \$100 or more are responsible for seeing that it is reported. The bill provides for fines or imprisonment of officers or directors of corporations making unlawful contributions. The candidate himself can be liable to fine or imprisonment for failing to file or filing falsely. If the report is late his

H.B. 47

Introduced by Presnal

Referred to Committee on Elections

Limits the amount of campaign expenditures by or on behalf of a candidate for public office. The amount of money spent on a campaign to be based on number of registered voters.
1st primary; 10% per registered voter for statewide office and 20% per registered voter for less than statewide.
2nd primary; (run-off) 5% per registered voter for statewide office and 10% per registered voter for less than statewide.
General or special election; 10% per registered voter for statewide and 20% per registered voter for less than statewide.
Noncompliance a felony and punishable by imprisonment or fine.
Although we have a position that calls for regulation of campaign funds, I think this one is just confusing and would not be workable. I prefer S.B. 150 by Mauzy and think that is the one we should support. FYI

MEMORANDUM FROM:

League of Women Voters of Texas

DICKINSON PLAZA CENTER • DICKINSON, TEXAS 77539

May 3, 1971

✓
To Brasher, Litras, Lancaster & SO
From Wagner
Re: Senator Mauzy's Bills

S.B. 150 Regulating Campaign Contributions
S.B. 682 Concerning Lobby Regulation.

Janie May thought and the Senator's Office confirmed, that both bills passed favorably out of Privilege & elections Committee and are up for floor action.

"Claire" in the Senator's office said, She felt that letters writting would be the most helpful thing that the LWT of Texas could do. Most important would be letters to the Lt. Governor asking his help in bringing these important bills up before the Senate (Has Mauzy got 2/3 vote? Janice thinks not). Claire will contact me, probably this week, as to when these might come up for floor action.

P.S. HJR ⁵⁵₈₆ Rodriguez NOT same bill. He changed from District to General Elections

TEXAS LEGISLATIVE SERVICE
 2/11/71
 Introduced by McKool
 Referred to Committee on
 Privileges and Elections

26-8-9--190

A BILL TO BE ENTITLED

AN ACT

relating to the charges made for political advertising and for public opinion polls conducted for candidates for public office; fixing maximum permissible rates and prescribing criminal and civil penalties for violation; amending the Texas Election Code by amending Subsection (c), Section 246, as amended (Article 14.10, Vernon's Texas Election Code), and adding a new Section 246a; and declaring an emergency.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Section 1. Subsection (c), Section 246, Texas Election Code, as amended by Section 109, Chapter 424, Acts of the 58th Legislature, 1963 (Article 14.10, Vernon's Texas Election Code), is amended to read as follows:

"(c) Any person who pays or offers to pay any money or other thing of value for the publication or broadcasting of political advertising except as advertising matter shall be fined not more than one hundred dollars."

Sec. 2. The Texas Election Code is amended by adding a new Section 246a, reading as follows:

"246a. Charges for political advertising and public opinion polls

"(a) As used in this section, the terms 'political advertising' and 'advertising medium' have the meanings defined in Section 246 of this code.

"(b) The charges made for political advertising by any newspaper, magazine, or journal published in this state shall not exceed the lowest charge per unit of space which the contracting advertising medium has made for any advertising sold within the three-month period preceding the date on which the contract is made, regardless of the total amount of space which the other advertiser contracted for or the number of issues in which the space was to be distributed.

"(c) The charges made for political advertising which is displayed on a billboard (including painted signs displayed on billboards as well as signs which are applied by any other process) shall not exceed the lowest charge at which the billboard space has been furnished for an equivalent period of time to any advertiser within the three-month period preceding the date on which the contract is made, regardless of the total length of time for which the billboard was to be used by the other advertiser.

"(d) The charges made for printing any political advertising in the form of a pamphlet, handbill, or other printed matter not included in Subsection (b) or (c) of this section shall not exceed the lowest rate at which the printer has contracted to

1 sell printed matter of similar makeup and material in an equiva-
2 lent quantity to any customer within the three-month period pre-
3 ceding the date on which the contract is made.

4 "(e) The charges made for political advertising by a radio
5 or television station which is subject to rate regulations pre-
6 scribed under federal law are exempt from the provisions of this
7 section. The charges made for all other political advertising by
8 a radio or television station located in this state shall not
9 exceed the lowest unit charge which the station has made for the
10 same amount of time in the same time period for the same day of
11 the week for any advertising time sold to any advertiser within
12 the three-month period preceding the date on which the contract is
13 made, regardless of the total amount of time which the other
14 advertiser contracted for and regardless of whether the contract
15 was for fixed time or preemptible time.

16 "(f) The charges made for any political advertising by any
17 advertising medium other than those covered in Subsections (b)
18 through (e) of this section shall not exceed the sum due at the
19 regular rates charged by that medium.

20 "(g) Any advertising medium or any officer or agent
21 thereof who wilfully demands or receives for any political adver-
22 tising any money or other thing of value in excess of the sum due
23 for such service at the maximum rate permitted by this section
24 shall be fined not more than one hundred dollars.

25 "(h) Any advertising medium making a charge in excess of
26 the maximum amount permitted by this section shall be liable to
27 the advertiser for double the amount of the excess and for
28 reasonable attorney's fees for collecting the amount due.

29 "(i) The amount charged any candidate, campaign manager,
30 or assistant campaign manager for conducting a public opinion
31 poll on any question concerning the standing of the candidates,
32 voter reaction to the candidate or to any of his opponents, or
33 voter reaction to any issue involved in the campaign shall not
34 exceed the lowest charge which the person or firm conducting the
35 poll has made for a poll involving a sampling of a comparable
36 number of interviewees within an area of comparable size within
37 the three-month period preceding the date on which the contract
38 is made. Any person, acting for himself or as agent for any
39 other person or firm, who wilfully violates this subsection shall
40 be fined not more than one hundred dollars. Any person who vio-
41 lates this subsection, and the principal he represents, if acting
42 as an agent, shall be jointly and severally liable to the person
43 with whom the contract is made for double the amount of the
44 excess charge and for reasonable attorney's fees for collecting
45 the amount due."

46 Sec. 3. The importance of this legislation and the crowded
47 condition of the calendars in both houses create an emergency and
48 an imperative public necessity that the Constitutional Rule
49 requiring bills to be read on three several days in each house be
50 suspended, and this Rule is hereby suspended, and that this Act
51 take effect and be in force from and after its passage, and it is
52 so enacted.
53
54

Litras

TEXAS LEGISLATIVE SERVICE
3/18/71
Introduced by Reed
Referred to Committee on Elections

H. B. 1240

FYI

J. Leg.

4/4/71

Low priority / No support

26-18-8-10--245

A BILL TO BE ENTITLED

AN ACT

relating to regulation of and reporting of campaign contributions and campaign expenditures; containing penal provisions; amending Chapter 14, Texas Election Code as follows: amending Section 242 (Article 14.06, Vernon's Texas Election Code); amending Subsections (c), (d), and (e), Section 243, as amended (Article 14.07); amending Subsections (g) and (h), Section 244, as amended (Article 14.08); amending Section 245 (Article 14.09); and adding Section 244A; amending Section (d), Article 213, Penal Code of Texas, 1925, as amended; and declaring an emergency.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Section 1. The Texas Election Code is amended by adding Section 244A to read as follows:

"244A. Reporting by political committees

"(a) As used in this section, the term 'political committee' means a combination of two or more persons who aid or promote the success or defeat of one or more candidates for public office. The term 'political committee' does not include the executive committees of a political party, organized as provided in Chapter 13 of this code.

"(b) Each political committee shall designate a treasurer who shall receive, keep, and disburse all money collected or received by that committee or any of its members for campaign expenses. The committee shall, within five days after the treasurer is designated, notify the person with whom reports are to be filed under this section, listing the name and address of the treasurer and the name of the political committee. Unless a treasurer is first designated, and the proper official is notified of the designation as required by the preceding sentence, a political committee or any of its members may not collect, receive, or disburse money for campaign expenses. To be qualified to be designated as a treasurer of a political committee, a person must be one of the persons authorized under Subsections (a) and (d), Section 240 of this code, to receive campaign contributions and make campaign expenditures on behalf of the person whose campaign the committee is aiding. If the committee is acting on behalf of more than one candidate, the treasurer must be so qualified as to at least one of those candidates.

"(c) Each political committee shall file sworn statements of campaign contributions to the committee and campaign expenditures by the committee. These sworn statements shall be filed with the person, within the time limits, and containing the same information as statements required by Section 244 of this code to be filed by the candidate or candidates on whose behalf the committee is acting. Each statement shall be accompanied by the following affidavit by the treasurer:

1 "I do solemnly swear that the foregoing statement, filed
2 herewith, is in all things true and correct, and fully shows all
3 gifts and loans of money or other things of value received by
4 (name of committee) not previously reported in a sworn state-
5 ment heretofore filed, and all persons making such gifts and
6 loans; and such statement fully shows all previously unreported
7 gifts, loans, and payments made and all debts incurred by that
8 committee in behalf of the candidacy of _____ for the
9 nomination for (or election to) the office of _____
10 before the (primary, special, or general) election on the date
11 of _____, and that I have neither directly nor
12 indirectly arranged or assented to, encouraged or connived at
13 receiving, borrowing, giving, or lending any money or any thing
14 of value other than as shown in this statement, and that I have
15 not, so far as I know, violated any provision of the laws of
16 Texas governing elections in letter or in spirit.'

17 "(d) Any treasurer who fails to file a sworn statement as
18 required by this section at the time required or swears falsely
19 in that statement is guilty of a felony and upon conviction is
20 punishable by imprisonment in the penitentiary for not less than
21 two nor more than 10 years or by a fine of not less than \$100
22 nor more than \$5,000, or both.

23 "(e) Any duplication between the statement required by
24 this section and the statement required by Section 244 of this
25 code is intended. All contributions to and expenditures by a
26 committee aiding the campaign of a candidate are deemed to be
27 contributions to and expenditures by that candidate and shall
28 be so reported by him pursuant to Section 244 of this code.
29 However, if a committee has properly reported its contributions
30 and expenditures, the candidate in his statement may list a
31 contribution from or an expenditure by that committee in the
32 aggregate amount of the contributions or expenditures of that
33 committee. A candidate is responsible for determining that a
34 committee has complied with the reporting requirements of this
35 section, before he may, in his statement, list only aggregate
36 contributions to or expenditures by a committee. If a committee
37 is acting on behalf of more than one candidate, each candidate
38 shall, as provided by this subsection, report in detail or in
39 the aggregate all contributions to that committee. Unless the
40 committee makes entirely separate expenditures as to each indi-
41 vidual candidate, each candidate shall also list in his statement
42 all expenditures by the committee, in detail or in the aggregate
43 as required by this subsection.

44 "(f) It shall be the duty of any person making one or more
45 contributions or loans aggregating more than \$100 to any
46 political committee to ascertain whether the political committee
47 properly reports the contributions or loans, as provided in this
48 section. If the contribution or loan is not reported, it shall
49 be the duty of the person making the contribution or loan to
50 report that contribution or loan under oath to the proper
51 official as provided in this section. If the contribution or
52 loan is not reported in detail by the political committee, the
53 candidate or candidates on whose behalf the committee is acting,
54 or the person making same, the latter shall be civilly liable

1 to each opponent of the favored candidate or candidates for
2 double the amount of such unreported contribution or loan, or
3 part thereof unreported, and for reasonable attorney's fees for
4 collecting the same."

5 Sec. 2. Section 245, Texas Election Code (Article 14.09,
6 Vernon's Texas Election Code), is amended to read as follows:

7 "245. Leave name off ticket

8 "(a) Any candidate who permits or assents to the violation
9 of any provision of this chapter by any campaign manager or
10 assistant campaign manager, political committee, political
11 committee treasurer, or other person, shall thereby forfeit his
12 right to have his name placed upon the primary ballot, or if
13 nominated in the primary election, to have his name placed on the
14 official ballot at the general election. Provided, no candidate
15 in the general election shall forfeit the right to have his
16 name printed on the ballot for such election if the constitution
17 of this state prescribes the qualifications of the holder of the
18 office sought by the candidate.

19 "(b) Proceedings by quo warranto to enforce the provisions
20 of this section, or to determine the right of any candidate
21 alleged to have violated any provision of this chapter, to have
22 his name placed on the primary ballot, or the right of any
23 nominee alleged to have violated any provision of this chapter to
24 have his name placed upon the official ballot for the general
25 election, may be instituted at the suit of any citizen in the
26 district court of any county, the citizens of which are entitled
27 to vote for or against any candidate who may be charged in such
28 proceedings with any such violation. All such proceedings so
29 instituted shall be advanced, and summarily heard and disposed
30 of by both the trial and appellate courts."

31 Sec. 3. Section 242, Texas Election Code (Article 14.06,
32 Vernon's Texas Election Code), is amended to read as follows:

33 "242. Criminal penalty

34 "Any candidate, campaign manager, assistant campaign
35 manager, political committee treasurer, or other person, who
36 makes an unlawful campaign expenditure in violation of the fore-
37 going sections of this chapter shall be fined not less than \$100
38 nor more than \$5,000, or be imprisoned in the penitentiary not
39 less than two nor more than 10 years, or be both so fined and
40 imprisoned."

41 Sec. 4. Subsections (c), (d), and (e), Section 243, Texas
42 Election Code, as amended (Article 14.07, Vernon's Texas Election
43 Code), are amended to read as follows:

44 "(c) Every officer or director of any corporation who
45 shall consent to any such unlawful gift, loan, or payment, or
46 such unlawful promise to give, lend, or pay, by the corporation
47 shall be fined not less than \$100 nor more than \$5,000, or be
48 imprisoned not less than two nor more than 10 years, or be both
49 so fined and imprisoned.

50 "(d) Any candidate, campaign manager, assistant campaign
51 manager, or political committee treasurer who knowingly receives
52 such unlawful gift, loan, or payment from a corporation shall be
53 fined not less than \$100 nor more than \$5,000, or be imprisoned
54 not less than two nor more than 10 years, or be both so fined
55 and imprisoned.

"(e) If any officer, agent, or employee of any bona fide association, incorporated or unincorporated, organized for and actively engaged for one year prior to such contribution in purely religious, charitable or eleemosynary activities, or local, district or statewide commercial or industrial clubs, or associations, or other civic enterprises or organizations not in any manner nor to any extent directly or indirectly engaged in furthering the cause of any political party, or aiding in the election or defeat of any candidate for office, or defraying or aiding in defraying the expenses of any political campaign, or political headquarters, or aiding or assisting the success or defeat of any question to be voted upon by the qualified voters of this State or any subdivision thereof, shall use or permit the use of any stock, money, assets or other property contributed to such organizations by any corporations, to further the cause of any political party, or to aid in the election or defeat of any candidate for office, or to pay any part of the expenses of any candidate for office, or part of the expenses of any political campaign, or political headquarters or to aid in the success or defeat of any political question to be voted on by the qualified voters of the State, or any subdivision thereof, such officer, agent or employee, shall be fined not less than \$100 nor more than \$5,000, or be imprisoned in the penitentiary not less than two nor more than 10 years, or be both so fined and imprisoned."

Sec. 5. Subsection (g), Section 244, Texas Election Code (Article 14.08, Vernon's Texas Election Code), is amended to read as follows:

"(g) If any candidate fails to file such sworn statement at the time provided herein or swears falsely therein, he shall be subject upon conviction to a fine not less than \$100 nor more than \$5,000, or be imprisoned in the penitentiary not less than two nor more than 10 years, or be both so fined and imprisoned."

Sec. 6. Subsection (h), Section 244, Texas Election Code, as amended (Article 14.08, Vernon's Texas Election Code), is amended to read as follows:

"(h) Any candidate failing to file such sworn statement at the time provided or swearing falsely therein forfeits, in accordance with the procedure stated in Section 245 of this code, his right to have his name placed upon the ballot at any subsequent primary or general election which would be necessary for nomination or election to the term of office which the candidate is seeking. The provisions of this section relating to the filing of statements and relating to the time when those statements must be filed are mandatory and not directory."

Sec. 7. Section (d), Article 213, Penal Code of Texas, 1925, as amended, is amended to read as follows:

"(d) Any person who violates any provision of this article, or who, as an officer, director or employee of a corporation, or as a member of a partnership or association, authorizes or does any act in violation hereof, shall be fined not less than one hundred dollars nor more than five thousand dollars, or be imprisoned not less than two nor more than 10 years, or be both so fined and imprisoned."

Sec. 8. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the Constitutional Rule requiring bills to be read on three several days in each house be suspended, and this Rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Hunter

TEXAS LEGISLATIVE SERVICE
2/1/71
Introduced by Mauzy
Referred to Committee on
Privileges and Elections

S. B. 150

8-26--175

A BILL TO BE ENTITLED

AN ACT

relating to regulation of and reporting of campaign contributions and campaign expenditures; containing penal provisions; amending Chapter 14, Texas Election Code as follows: amending Section 242 (Article 14.06, Vernon's Texas Election Code); amending Subsections (c), (d), and (e), Section 243, as amended (Article 14.07); amending Subsections (g) and (h), Section 244, as amended (Article 14.08); amending Section 245 (Article 14.09); and adding Section 244A; amending Section (d), Article 213, Penal Code of Texas, 1925, as amended; and declaring an emergency.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Section 1. The Texas Election Code is amended by adding Section 244A to read as follows:

"244A. Reporting by political committees

"(a) As used in this section, the term 'political committee' means a combination of two or more persons who aid or promote the success or defeat of one or more candidates for public office. The term 'political committee' does not include the executive committees of a political party, organized as provided in Chapter 13 of this code.

"(b) Each political committee shall designate a treasurer who shall receive, keep, and disburse all money collected or received by that committee or any of its members for campaign expenses. The committee shall, within five days after the treasurer is designated, notify the person with whom reports are to be filed under this section, listing the name and address of the treasurer and the name of the political committee. Unless a treasurer is first designated, and the proper official is notified of the designation as required by the preceding sentence, a political committee or any of its members may not collect, receive, or disburse money for campaign expenses. To be qualified to be designated as a treasurer of a political committee, a person must be one of the persons authorized under Subsections (a) and (d), Section 240 of this code, to receive campaign contributions and make campaign expenditures on behalf of the person whose campaign the committee is aiding. If the committee is acting on behalf of more than one candidate, the treasurer must be so qualified as to at least one of those candidates.

"(c) Each political committee shall file sworn statements of campaign contributions to the committee and campaign expenditures by the committee. These sworn statements shall be filed with the person, within the time limits, and containing the same information as statements required by Section 244 of this code to be filed by the candidate or candidates on whose behalf the committee is acting. Each statement shall be accompanied by the following affidavit by the treasurer:

"I do solemnly swear that the foregoing statement, filed herewith, is in all things true and correct, and fully shows all gifts and loans of money or other things of value received by (name of committee) not previously reported in a sworn statement heretofore filed, and all persons making such gifts and loans; and such statement fully shows all previously unreported gifts, loans, and payments made and all debts incurred by that committee in behalf of the candidacy of _____ for the nomination for (or election to) the office of _____ before the (primary, special, or general) election on the date of _____, and that I have neither directly nor indirectly arranged or assented to, encouraged or connived at receiving, borrowing, giving, or lending any money or any thing of value other than as shown in this statement, and that I have not, so far as I know, violated any provision of the laws of Texas governing elections in letter or in spirit."

"(d) Any treasurer who fails to file a sworn statement as required by this section at the time required or swears falsely in that statement is guilty of a felony and upon conviction is punishable by imprisonment in the penitentiary for not less than two nor more than 10 years or by a fine of not less than \$100 nor more than \$5,000, or both.

"(e) Any duplication between the statement required by this section and the statement required by Section 244 of this code is intended. All contributions to and expenditures by a committee aiding the campaign of a candidate are deemed to be contributions to and expenditures by that candidate and shall be so reported by him pursuant to Section 244 of this code. However, if a committee has properly reported its contributions and expenditures, the candidate in his statement may list a contribution from or an expenditure by that committee in the aggregate amount of the contributions or expenditures of that committee. A candidate is responsible for determining that a committee has complied with the reporting requirements of this section, before he may, in his statement, list only aggregate contributions to or expenditures by a committee. If a committee is acting on behalf of more than one candidate, each candidate shall, as provided by this subsection, report in detail or in the aggregate all contributions to that committee. Unless the committee makes entirely separate expenditures as to each individual candidate, each candidate shall also list in his statement all expenditures by the committee, in detail or in the aggregate as required by this subsection.

"(f) It shall be the duty of any person making one or more contributions or loans aggregating more than \$100 to any political committee to ascertain whether the political committee properly reports the contributions or loans, as provided in this section. If the contribution or loan is not reported, it shall be the duty of the person making the contribution or loan to report that contribution or loan under oath to the proper official as provided in this section. If the contribution or loan is not reported in detail by the political committee, the candidate or candidates on whose behalf the committee is acting, or the person making same, the latter shall be civilly liable

1 to each opponent of the favored candidate or candidates for
2 double the amount of such unreported contribution or loan, or
3 part thereof unreported, and for reasonable attorney's fees for
4 collecting the same."

5 Sec. 2. Section 245, Texas Election Code (Article 14.09,
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7 "245. Leave name off ticket

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9 of any provision of this chapter by any campaign manager or
10 assistant campaign manager, political committee, political
11 committee treasurer, or other person, shall thereby forfeit his
12 right to have his name placed upon the primary ballot, or if
13 nominated in the primary election, to have his name placed on the
14 official ballot at the general election. Provided, no candidate
15 in the general election shall forfeit the right to have his
16 name printed on the ballot for such election if the constitution
17 of this state prescribes the qualifications of the holder of the
18 office sought by the candidate.

19 "(b) Proceedings by quo warranto to enforce the provisions
20 of this section, or to determine the right of any candidate
21 alleged to have violated any provision of this chapter, to have
22 his name placed on the primary ballot, or the right of any
23 nominee alleged to have violated any provision of this chapter to
24 have his name placed upon the official ballot for the general
25 election, may be instituted at the suit of any citizen in the
26 district court of any county, the citizens of which are entitled
27 to vote for or against any candidate who may be charged in such
28 proceedings with any such violation. All such proceedings so
29 instituted shall be advanced, and summarily heard and disposed
30 of by both the trial and appellate courts."

31 Sec. 3. Section 242, Texas Election Code (Article 14.06,
32 Vernon's Texas Election Code), is amended to read as follows:

33 "242. Criminal penalty

34 "Any candidate, campaign manager, assistant campaign
35 manager, political committee treasurer, or other person, who
36 makes an unlawful campaign expenditure in violation of the fore-
37 going sections of this chapter shall be fined not less than \$100
38 nor more than \$5,000, or be imprisoned in the penitentiary not
39 less than two nor more than 10 years, or be both so fined and
40 imprisoned."

41 Sec. 4. Subsections (c), (d), and (e), Section 243, Texas
42 Election Code, as amended (Article 14.07, Vernon's Texas Election
43 Code), are amended to read as follows:

44 "(c) Every officer or director of any corporation who
45 shall consent to any such unlawful gift, loan, or payment, or
46 such unlawful promise to give, lend, or pay, by the corporation
47 shall be fined not less than \$100 nor more than \$5,000, or be
48 imprisoned not less than two nor more than 10 years, or be both
49 so fined and imprisoned.

50 "(d) Any candidate, campaign manager, assistant campaign
51 manager, or political committee treasurer who knowingly receives
52 such unlawful gift, loan, or payment from a corporation shall be
53 fined not less than \$100 nor more than \$5,000, or be imprisoned
54 not less than two nor more than 10 years, or be both so fined
55 and imprisoned.

1 "(e) If any officer, agent, or employee of any bona fide
2 association, incorporated or unincorporated, organized for and
3 actively engaged for one year prior to such contribution in
4 purely religious, charitable or eleemosynary activities, or local,
5 district or statewide commercial or industrial clubs, or
6 associations, or other civic enterprises or organizations not in
7 any manner nor to any extent directly or indirectly engaged in
8 furthering the cause of any political party, or aiding in the
9 election or defeat of any candidate for office, or defraying or
10 aiding in defraying the expenses of any political campaign, or
11 political headquarters, or aiding or assisting the success or
12 defeat of any question to be voted upon by the qualified voters
13 of this State or any subdivision thereof, shall use or permit the
14 use of any stock, money, assets or other property contributed to
15 such organizations by any corporations, to further the cause of
16 any political party, or to aid in the election or defeat of any
17 candidate for office, or to pay any part of the expenses of any
18 candidate for office, or part of the expenses of any political
19 campaign, or political headquarters or to aid in the success or
20 defeat of any political question to be voted on by the qualified
21 voters of the State, or any subdivision thereof, such officer,
22 agent or employee, shall be fined not less than \$100 nor more
23 than \$5,000, or be imprisoned in the penitentiary not less than
24 two nor more than 10 years, or be both so fined and imprisoned."

25 Sec. 5. Subsection (g), Section 244, Texas Election Code
26 (Article 14.08, Vernon's Texas Election Code), is amended to read
27 as follows:

28 "(g) If any candidate fails to file such sworn statement
29 at the time provided herein or swears falsely therein, he shall
30 be subject upon conviction to a fine not less than \$100 nor more
31 than \$5,000, or be imprisoned in the penitentiary not less than
32 two nor more than 10 years, or be both so fined and imprisoned."

33 Sec. 6. Subsection (h), Section 244, Texas Election Code,
34 as amended (Article 14.08, Vernon's Texas Election Code), is
35 amended to read as follows:

36 "(h) Any candidate failing to file such sworn statement
37 at the time provided or swearing falsely therein forfeits, in
38 accordance with the procedure stated in Section 245 of this
39 code, his right to have his name placed upon the ballot at any
40 subsequent primary or general election which would be necessary
41 for nomination or election to the term of office which the
42 candidate is seeking. The provisions of this section relating
43 to the filing of statements and relating to the time when those
44 statements must be filed are mandatory and not directory."

45 Sec. 7. Section (d), Article 213, Penal Code of Texas,
46 1925, as amended, is amended to read as follows:

47 "(d) Any person who violates any provision of this arti-
48 cle, or who, as an officer, director or employee of a corpora-
49 tion, or as a member of a partnership or association, authorizes
50 or does any act in violation hereof, shall be fined not less than
51 one hundred dollars nor more than five thousand dollars, or be
52 imprisoned not less than two nor more than 10 years, or be both
53 so fined and imprisoned."
54

1 Sec. 8. The importance of this legislation and the crowded
2 condition of the calendars in both houses create an emergency and
3 an imperative public necessity that the Constitutional Rule
4 requiring bills to be read on three several days in each house
5 be suspended, and this Rule is hereby suspended, and that this
6 Act take effect and be in force from and after its passage, and
7 it is so enacted.
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Litras

TEXAS LEGISLATIVE SERVICE
3/15/71
Introduced by Mauzy
Referred to Committee on
Privileges and Elections

S. B. 682

Support 4/21/71

high priority?

59--475

A BILL TO BE ENTITLED

AN ACT

requiring the reporting and recording of information concerning all political contributions over the amount of \$100 and expenditures to influence elections and political decisions over the amount of \$25; defining terms; requiring the obtaining and keeping of receipted bills in reference to the Act; requiring the filing of certain reports with the Secretary of State; providing for preservation of these records by the Secretary of State and the availability of these records for public inspection; delineating those persons to whom the Act shall apply; requiring specific statements to be filed with the Secretary of State before an individual may enter service to promote or oppose legislation; providing for certificates of registration for legislative agents; requiring filing of itemized statements to show all expenses paid in connection with pending legislation; requiring the reporting of any financial transaction with any member of the Legislature or the Governor; requiring disclosure of employment by any person registered under this Act of any Member of the Legislature, attache or the Legislature or full-time state employee; prohibiting the employment of persons for compensation contingent upon the defeat or passage of Legislation or approval or veto of any legislation by the Governor; prohibiting persons registered under this Act from going upon the floor of either House of the Legislature; prohibiting the attempt to influence the vote of any Member of the Legislature or the Lieutenant Governor or approval or veto of the Governor other than by appeal to reason; prohibiting false communications to the Legislature and providing penalties for such false communication; setting forth obligations of legislative advocates; requiring the Secretary of State to compile and keep on file for public inspection the registration forms required by the Act in addition to distributing this information to all members of the Legislature, to all elected officials in the executive branch, and to members of the press; requiring the Attorney General to examine the information required by law to be disclosed and to prosecute discovered violations; providing penalties for violation of the Act; providing for venue for prosecution under the Act; and declaring an emergency.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Section 1. As used in this Act, unless the context otherwise requires:

(a) The term "contribution" includes a gift, subscription, loan, advance, or deposit of money or anything of value and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution.

(b) The term "expenditure" includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure.

(c) The term "person" includes any individual, partnership, association or corporation, and any other organization or group of persons who join together, whether organized or not, to promote, advocate, oppose or influence the passage or defeat of any legislation.

(d) The term "legislation" includes all bills, resolutions, amendments, nominations, and other matters of every kind, character, or description pending, proposed, or considered in either house of the Legislature of the State of Texas or any committee thereof or before the Governor of the State of Texas for consideration, passage, defeat, approval, veto, or other action.

(e) The term "legislative agent" includes any person who engages himself, either directly or indirectly, for compensation or who accepts, either directly or indirectly, compensation from any person, firm, association, or corporation, or from any board, department, or agency of the State of Texas, or any political subdivision thereof, to

promote, advocate, oppose or influence the passage of any legislation by either house of the Legislature of the State of Texas or to promote, advocate, oppose or influence executive approval of any such legislation. The term shall include persons who, as any part of their regular employment, attempt to influence legislation or executive approval thereof, whether or not any compensation in addition to the salary for that regular employment is received for such services. No person shall be excluded from the coverage of this term merely because he has a direct financial interest in the legislation with which his employment is concerned, provided that such person otherwise meets the definition of "legislative agent."

(f) The term "political subdivision" includes every county, city, town, village, district, local board, and any other body politic or corporate of the State of Texas.

(g) The terms "advocating", "promoting", and "opposing" shall be construed to mean any act or acts performed directly or indirectly with a member or employee of the Legislature or with the Governor or a member of his staff, for the purpose of influencing him to vote or to use his influence or position for or against any legislation.

(h) The term "compensation" means any money, service, facility, thing of value or financial benefit received or to be received in return for or in connection with services rendered or to be rendered.

(i) The term "political committee" includes any committee, association, or organization which accepts contributions or makes expenditures for the purpose of influencing or attempting to influence the election of candidates or presidential and vice presidential electors, or any duly authorized committee of a political party whether national, state, or local.

Sec. 2. (a) It shall be the duty of every person who shall in any manner solicit or receive a contribution for any organization or fund for the purposes hereinafter designated to keep a detailed and exact account of

- (1) All contributions of any amount or of any value whatsoever;
- (2) The name and address of every person making any such contribution of one hundred dollars (\$100) or more and the date thereof;
- (3) All expenditures made by or on behalf of such organization or fund; and

- (4) The name and address of every person to whom any item of expenditure exceeding twenty-five dollars (\$25) is made and the date thereof.

(b) It shall be the duty of such person to obtain and keep a receipted bill, stating the particulars, for every expenditure of such funds exceeding twenty-five dollars (\$25) in amount, and to preserve all receipted bills and accounts required to be kept by this section for a period of at least two years from the date of the filing of the statement containing such items.

Sec. 3. Every individual who receives a contribution of one hundred dollars (\$100) or more for any of the purposes herein-after designated shall within five days after receipt thereof render to the person or organization for which such contribution was received a detailed account thereof including the name and address of the person making such contribution and the date on which received.

Sec. 4. (a) Every person receiving any contributions or expending any money for the purposes designated in subparagraph (a) or (b) of Section 6 of this Act shall file with the Secretary of State between the first and tenth day of each calendar month succeeding a month during any part of which the Legislature was in session and at other times during the year between the first and tenth day of the month next following the close of each calendar quarter, provided that the statement filed in January shall be cumulative for the next preceding calendar year, a statement containing complete as of the day next preceding the date of filing.

- (1) The name and address of each person who has made a contribution of one hundred dollars (\$100) or more not mentioned in the preceding report; except that the first report filed pursuant to this Act shall contain the name and address of each person who has made any contribution of one hundred dollars (\$100) or more to such person since the effective date of this Act;

(2) The total sum of the contributions made to or for such person during the calendar year and not stated under paragraph (1);

(3) The total sum of all contributions made to or for such person during the calendar year;

(4) The name and address of each person to whom an expenditure in one or more items of the aggregate amount or value, within the calendar year, of twenty-five dollars (\$25) or more has been made by or on behalf of such person, and the amount, date, and purpose of such expenditure;

(5) The total sum of all expenditures made by or on behalf of such person during the calendar year and not stated under paragraph (4);

(6) The total sum of expenditures made by or on behalf of such person during the calendar year.

(b) The statements required to be filed by subsection (a) of this Section shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous statement only the amount need be carried forward.

Sec. 5. A statement required by this Act to be filed with the Secretary of State

(a) Shall be deemed properly filed when deposited in an established post office within the prescribed time, duly stamped, registered, and directed to the Secretary of State, but in the event it is not received, a duplicate of such statement shall be promptly filed upon notice by the Secretary of State of its non receipt;

(b) Shall be preserved by the Secretary of State for a period of two years from the date of filing, shall constitute part of the public records of his office, and shall be open to public inspection.

Sec. 6. The provisions of Sec. 2 to 4, inclusive shall apply to any person, except a political committee, who by himself, or through any agent or employee or other persons in any manner whatsoever, directly or indirectly, solicits, collects, or receives money or any other thing of value to be used principally to aid, or the principal purpose of which person is to aid, in the accomplishment of any of the following purposes:

(a) The passage or defeat of any legislation by the Legislature of the State of Texas or the approval or veto of any legislation by the Governor of the State of Texas.

(b) To influence, directly or indirectly, the passage or defeat of any legislation by the Legislature of the State of Texas or the approval or veto of any legislation by the Governor of the State of Texas.

Sec. 7. (a) Before any service is entered upon in promoting or opposing legislation, every legislative agent must file with the Secretary of State a writing stating:

(1) his name, business address and regular occupation;

(2) the name, business address and occupation of the person by whom he is retained or employed to serve as a legislative agent;

(3) the name, business address and occupation of the person in whose interest he is retained or employed (if someone other than the person by whom he is retained or employed);

(4) the amount paid for such employment or, if the legislative agent is a regular employee of the person retaining him to influence legislation or executive approval thereof, the amount of the agent's regular salary together with the amount allocable to his legislative activities;

(5) the length of the employment, if this is capable of ascertainment at the time of the filing; and

(6) the type of legislation or particular bills to which the employment relates.

It shall be the duty of the Secretary of State to make available appropriate forms for such filing. No notice filed shall be valid for longer than the period allocated the Governor to grant or withhold approval of the legislation to which the legislative agent's employment relates. In addition, every legislative agent who registers under this section must also submit to the Secretary of State a written authorization, signed by his employer, to act as a legislative agent in the employer's behalf.

(b) If the fee of a legislative agent is contributed to by more than one person, the statement required to be filed with the Secretary of State by 7 (a) of this Act shall contain the names, addresses and occupations of all persons contributing, and the amount paid by each.

(c) If a legislative agent is in the employment of more than one person, he shall file a separate statement pursuant to a 7 (a) for each of his employers.

(d) Upon the termination or modification of any employment covered by the Act, the writing filed pursuant to 7 (a) shall be amended to reflect such termination or the nature of such modification and the date of its effectiveness.

(e) It shall be the duty of any person employing a legislative agent to see that the agent complies with 7 (a) through 7 (d) of this Act.

Sec. 8. Legislative agents who comply with 7 (a) through 7 (c) of this Act shall be issued certificates of registration by the Secretary of State. Such certificates shall be issued only when the Secretary of State is satisfied by his investigation that the requirements of these sections have been met. Each certificate shall show the name and business address of the person to whom such certificate is issued. The certificate of registration shall be shown upon the request of any legislator or of the Governor desiring to see it.

Sec. 9. (a) It shall be the duty of every legislative agent and every person who employs a legislative agent or spends money in any way to influence legislation to file in the office of the Secretary of State an itemized statement, verified by the oath of such person (or by the oath of an officer or member in the case of a corporation or association), showing in detail all expenses paid, incurred or promised, directly or indirectly, in connection with pending legislation, including the names of the payees, the amount paid to each, the purpose of the payment and the relation between the payment and the legislation involved.

(b) These itemized statements must be filed by the tenth day of each month following one in which the Legislature was in session, the statement covering expenses incurred or promised during that month of the session. In addition, a statement must be filed on the first day of each legislative session covering the time elapsed since the period covered by the last statement filed at the previous session. If no statement was required to be filed at the previous session, this statement must contain all the expenses promised or incurred prior to its filing.

(c) In the case of employers of legislative agents, the statement required by 9 (a) of this Act shall include compensation paid to legislative agents for work in connection with pending legislation. When such compensation is included as part of a regular salary or retainer, the statement shall specify the amount of the agents' regular salary together with the amount allocable to his legislative duties. If no such apportionment is possible, the statement shall indicate such impossibility and disclose the full salary or retainer.

(d) The requirements of this section shall apply to any persons, whether or not required to register under 7 of this Act who incur or promise expenditures connected with influencing legislation in excess of fifty dollars in any month in which the Legislature is in session, or in excess of two hundred and forty dollars in the period between sessions. A statement pursuant to 9 (a) must be filed for any such month or inter-session period.

Sec. 10. Any legislative agent who has any financial transaction with any member of the Legislature or with the Governor shall file the details of the transaction, including the names of all the participants in the transaction and the purpose and nature of the transaction, with the Secretary of State within ten days after the completion of the transaction. The details of the transaction shall be filed in the form of a sworn statement, and upon receipt of any such sworn statement it shall be the duty of the Secretary of State to forthwith furnish a copy of said statement to the member of the Legislature or to the Governor mentioned therein, and to members of the press in a general distribution.

TEXAS LEGISLATIVE SERVICE
3/30/71

SENATE COMMITTEE AMENDMENTS
TO S. B. 682

59--475

AMENDMENT NO. 1

Amend Subsection (a), Section 19, of S. B. 682 by adding the words "except Section 16 thereof," between the words "Act" and "shall".

AMENDMENT NO. 2

Amend S. B. 682 by striking all of subsection (a) of Section 17 and substituting a new subsection (a) of Section 17 to read as follows:

"Sec. 17.(a) It shall be the duty of the Secretary of State to compile and keep on file for ten years the registration forms required by Section 7(a) of this Act and the expense statements required by Sections 4 and 9 (a) of this Act. This information shall be open to public inspection."

AMENDMENT NO. 3

Amend S. B. 682 by striking all of subsection (d) of Section 9 and substituting a new subsection (d) of Section 9 to read as follows:
"(d) The requirements of this section shall apply to any persons, whether or not required to register under Section 7 of this Act who incur or promise total expenditures connected with influencing legislation in excess of twenty five dollars in any month in which the legislature is in session, or in excess of two hundred and fifty dollars in the period between sessions. A statement pursuant to Section 9(a) must be filed for any such month or inter-sessional period."

AMENDMENT NO. 4

Amend Section 6 of S. B. 682 by deleting the word "the" in the first sentence of the section, appearing between the words "or" and "principal", and substituting therefor the word "a".

AMENDMENT NO. 5

Amend S. B. 682 by striking all of subsection (a) of Section 9 and substituting a new subsection (a) of Section 9 to read as follows:
"Sec. 9(a) It shall be the duty of every legislative agent and every person who employs a legislative agent or spends money in any way to influence legislation to file in the office of the Secretary of State an itemized statement, verified by the oath of such person (or by the oath of an officer or member in the case of a corporation or association), showing in detail all expenses paid (including living, office, lodging, and travel expenses), incurred or promised, directly or indirectly, in connection with pending legislation, including the names of the payees, the amount paid to each, the purpose of the payment and the relation between the payment and the legislation involved."

Sec. 11. If any person registered or required to be registered under Section 7 hereof employs or requests, recommends, or causes his employer to employ, and such employer does employ, any Member of the Legislature, or any attache of the Legislature, or any full-time state employee, in any capacity whatsoever, he shall file a statement under oath with the same officers with whom he registered under Section 7, setting out the nature of the employment, the name of the person to be paid thereunder, and the amount of pay or consideration to be paid thereunder. If the Legislature is in session at the time of such employment, the statement shall be filed within five days after such employment, and if the Legislature is not in session, it shall be filed within 10 days after the convening of the next session of the Legislature.

Sec. 12. No person shall retain or employ another to promote or oppose legislation for compensation contingent in whole or in part upon the passage or defeat of any legislation, or the approval or veto of any legislation by the Governor, and no person shall accept any such employment or render any such service for compensation contingent upon the passage or defeat of any legislation or the approval or veto of any legislation by the Governor.

Sec. 13. No person who is registered or required to be registered under the provisions of this Act and no person not authorized by law shall go upon the floor of either House of the Legislature, reserved for the members thereof, while such House is in session, except on invitation of such House.

Sec. 14. No person shall in any manner seek to influence the vote of any member of the Legislature or the Lieutenant Governor or the approval or veto of the Governor on any pending legislation other than by an appeal to reason.

Sec. 15. Whoever shall transmit, utter or publish to the Legislature or to any member or members of the Legislature, or any committee, officer or employee of either House of the Legislature, any communication relating to any matter within the jurisdiction of the Legislature, or be a party to the preparation thereof, knowing such communication or signature thereto is false, forged, counterfeit or fictitious shall be guilty of a misdemeanor and shall be punished as provided in Section 19 of this Act.

Sec. 16. A legislative advocate has the following obligation, violation of which constitutes cause for revocation or suspension of a certificate of registration, but shall not unless otherwise provided by law subject a legislative advocate to any other civil or criminal liability:

1. Not to engage in any activity as a legislative advocate unless he be registered as a legislative advocate, and not to accept compensation for acting as a legislative advocate except upon condition that he forthwith register as a legislative advocate.
2. To abstain from doing any act with the express purpose and intent of placing any Member of the Legislature under personal obligation to him or to his employer.
3. Never to deceive or attempt to deceive any Member of the Legislature of any material fact pertinent to any pending or proposed legislation.
4. Never to cause or influence the introduction of any bill or amendment thereto for the purpose of thereafter being employed to secure its passage or defeat.
5. To abstain from soliciting any employment as a legislative advocate except on the basis of his experience, or knowledge of the business or field of activity in which his proposed employer is engaged or is interested.
6. To abstain from any attempt to create a fictitious appearance of public favor or disfavor of any legislative proposal or to cause any communication to be sent to any Member of the Legislature, the Lieutenant Governor, or the Governor, in the name of any fictitious person or in the name of any real person, except with the consent of such real person.
7. Not to encourage the activities of or to have any business dealings relating to legislation or the Legislature with any person whose registration to act as a legislative advocate has been suspended or revoked.
8. Not to represent, either directly or indirectly, through word of mouth or otherwise, that he can control or obtain the vote or action of any Member or committee of the Legislature, or the approval or veto of any legislation by the Governor of Texas.
9. Not to represent an interest adverse to his employer nor to

represent employers whose interests are known to him to be adverse.

Sec. 17. (a) It shall be the duty of the Secretary of State to compile and keep on file the registration forms required by 7 (a) and the expense statements required by 9 (a) of this Act. This information shall be open to public inspection.

(b) The Secretary of State shall publish the name and address of each legislative agent, the name and address of his employer, the legislation with which the employment is concerned and the expenditures made in furtherance of the employment. Such published material shall be distributed at the beginning of the legislative session to each legislator, to all elected state officials in the executive branch and to the members of the press assigned to cover the Legislature. Cumulative issues shall be published and distributed to the same people every two weeks during the Legislative session. Such published information shall also be distributed on request to the general public.

Sec. 18. It shall be the duty of the Attorney General to examine at least twice during each legislative session the information required to be disclosed by this law and the activities of legislative agents, and to prosecute any violations discovered. In addition, it shall be the duty of the Attorney General to investigate (and prosecute where appropriate) all possible violations of the law called to his attention by any legislative committee, individual legislator, other state officer or private citizen.

Sec. 19. (a) Any person who wilfully and knowingly violates any of the provisions of this Act shall be guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine of not more than Five Thousand Dollars (\$5,000.00) or imprisonment in the county jail for not more than two (2) years, or by both such fine and imprisonment.

(b) Any corporation which violates any section of this Act shall, upon conviction thereof, be punished by a fine of not more than fifty thousand dollars (\$50,000.00) and the Secretary of State shall revoke the charter of said corporation.

Sec. 20. Any violation of this Act may be prosecuted in the county where the offense is committed or in Travis County.

Sec. 21. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the Constitutional Rule requiring bills to be read on three several days in each house be suspended, and this Rule is hereby suspended, and this Act shall take effect and be in force from and after January 1, 1972, and it is so enacted.

hunter

TEXAS LEGISLATIVE SERVICE
1/21/71
Introduced by Presnal
Referred to Committee on
Elections

H. B. 47

8-26--180

A BILL TO BE ENTITLED

AN ACT

limiting the amount of campaign expenditures by or on behalf of a candidate for public office; providing civil and criminal penalties for violation; amending the Texas Election Code by adding a new Section 244a; and declaring an emergency.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Section 1. The Texas Election Code is amended by adding a new Section 244a to read as follows:

"244a. Limiting campaign expenditures

"Subdivision 1. The aggregate amount expended by a candidate on account of his candidacy in an election, exclusive of any assessment or filing fee which he is required to pay, shall not exceed the amount obtained upon multiplying the unit amount per registered voter stated in this section by the total number of registered voters in the territory in which the election is held for the office he is seeking. An expenditure by a candidate's campaign manager or assistant campaign manager on behalf of his candidacy is deemed to be an expenditure by the candidate. The unit amounts are:

"1. In a general (first) primary election, 10 cents per registered voter for a statewide office and 20 cents per registered voter for an office which is less than statewide.

"2. In a runoff (second) primary election, 5 cents per registered voter for a statewide office and 10 cents per registered voter for an office which is less than statewide.

"3. In a general or special election, 10 cents per registered voter for a statewide office and 20 cents per registered voter for an office which is less than statewide.

"For the purpose of this section, the number of registered voters is the number of names appearing on the original precinct lists of registered voters for the voting year in which the election is held. Where the territory in which the election is held includes election precincts lying partly outside the territory, the total number of registered voters in each such precinct is used in computing the limitation on expenditures.

"Subdivision 2. All expenditures made or incurred by a candidate in a first primary election on or before the date of the election are deemed to be expenditures in that election. Expenditures made or incurred by a candidate in a second (runoff) primary election after the date of the first primary and on or before the date of the second primary are deemed to be expenditures in the second primary. Where a candidate in a general or special election was not nominated at a primary election, all expenditures regardless of the date are deemed to be expenditures in the general or special election. A candidate who spends less

1 than the permissible limit in a primary election is not entitled
2 to apply the unused portion to increase the permissible limit in
3 a subsequent election.

4 "Subdivision 3. A candidate who spends more than the
5 amount permitted in Subdivision 1 of this section is liable to
6 each opposing candidate in the election for damages equal to
7 three times the amount of the excess. Each opposing candidate is
8 also entitled to recover reasonable attorney's fees for collect-
9 ing his damages.

10 "Subdivision 4. If an opposing candidate seeks recovery
11 of damages under Subsection (1) of Section 244 of this code for
12 failure of the candidate to report an expenditure as well as
13 recovery of damages under this section, he may recover damages
14 under Section 244 for no more than the difference between the
15 total amount of the unreported expenditures and the amount of the
16 excess above the permissible limit set by Subdivision 1 of this
17 section.

18 "Subdivision 5. A candidate who spends more than the
19 amount permitted in Subdivision 1 of this section is guilty of a
20 felony and upon conviction is punishable by imprisonment in the
21 penitentiary for not less than one year nor more than five years
22 or by a fine of not less than \$100 nor more than \$5,000 or by
23 both."

24 Sec. 2. The importance of this legislation and the crowded
25 condition of the calendars in both houses create an emergency and
26 an imperative public necessity that the Constitutional Rule
27 requiring bills to be read on three several days in each house be
28 suspended, and this Rule is hereby suspended, and that this Act
29 take effect and be in force from and after its passage, and it is
30 so enacted.

Important

Post. 5/25/73

Compromise disclosure bill approved, sent to governor

Post State Capital Bureau

AUSTIN — A sweeping new disclosure law for Texas political campaigns zipped through the House and Senate Monday night and went to Gov. Dolph Briscoe.

The bill (HB 4) won 31-0 approval in the Senate and 141-4 approval in the House, with only Reps. R. C. "Nick" Nichols, D-Houston, Billy Wilkerson, D-Tyler, Terry Cates, D-Premont, and Dean Cobb, D-Dumas, voting against it.

Rep. Terry Doyle, D-Port Arthur, a candidate for House

Speaker in 1975, raised two points of order against consideration of the bill, a compromise drawn by a House-Senate conference committee over the weekend, but Speaker Price Daniel Jr., overruled him on both.

The bill was one of Speaker Daniel's package of nine governmental reform bills and was also strongly supported by Lt. Gov. Bill Hobby in a substitute version drawn by Sen. Bill Meier, D-Eules.

Rep. Ben Bynum, D-Amarillo, said the House got about 90 per cent of what it wanted

in the bill, even though it did not get creation of the state ethics commission it proposed to enforce the bill.

Instead, the Senate substituted creation of state and county election commissions to oversee the campaign contributions and spending reporting system.

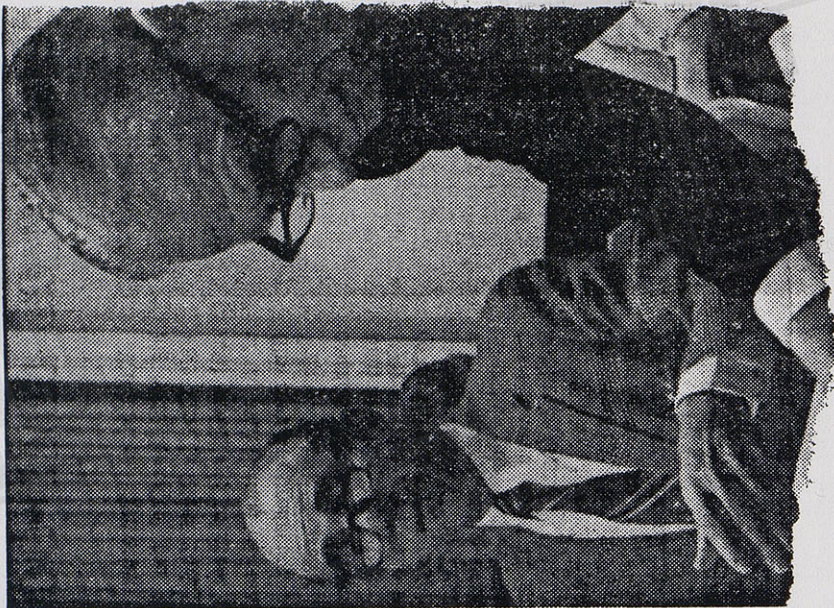
The bill would require candidates to continue filing reports after elections to account for campaign surpluses and deficits, as well as reports before elections.

It would require reports by "bogus" political committees

contributing to candidates to show who contributed money to them. Out-of-state committees could not contribute more than \$500 to a Texas candidate without revealing the name of every person who contributed more than \$100 of the money, Bynum said.

The bill provides criminal penalties for violations and triple liability to the state for campaign contributions and spending not disclosed.

It also places other new restrictions on campaign contributions and practices.



4-4-13

Campaign funding bill gain in House

Post State Capital Bureau

AUSTIN — A bill to regulate political campaign financing, with enforcement by a proposed state ethics commission, won tentative House approval 136-5 Tuesday.

The bill (HB 4) is the ninth and last of House Speaker Price Daniel Jr.'s reform-bill package to receive House approval. Final action sending it to the Senate is expected in the House Wednesday.

Daniel said the bill would be the "strongest campaign finance reporting law" to ever clear either house of the Texas Legislature.

Tuesday's action constituted the third House endorsement of a proposed 12-member state ethics commission, which Gov. Dolph Briscoe is opposing and Lt. Gov. Bill Hobby has indicated he does not favor.

Rep. Ben Bynum, Amarillo, principal sponsor of HB 4, said the principal fault with the present campaign finance disclosure law is that there is no enforcement agency and there has been no enforcement.

"My last opponent didn't file a statement (of his campaign contributions and spending) and nothing ever happened to him," Bynum said.

He said the ethics commission, which other Daniel bills propose to enforce lobby regulation and state official financial disclosure and ethics laws, is "distinctly needed" to enforce campaign finance disclosure.

The bill would require every candidate for any office to appoint a political treasurer (who could be himself or another) to be responsible for all campaign contributions and spending. The treasurer

would be required to keep records current within 15 days, which would be subject to inspection by the ethics commission. He would be required to file periodic pre-election and post-election statements of contributions and expenditures with public authorities for public inspection.

Reports would be required at the same times as under present law except that an additional one would be required between the 31st and 40th days before elections.

A new requirement would make candidates account for campaign surpluses and deficits after elections. They would have to file reports every 60 days until they accounted for disposition of either.

The bill would also require reporting of contributions and spending in campaigns for and against issues or proposi-

tions, as well as for candidates. It also would require disclosure of campaign contributions and spending by committees in behalf of candidates.

An individual could spend no more than \$25 in behalf of a candidate or measure without reporting the expenditure to the political treasurer. Any greater expenditure would have to be reported to the political treasurer and included in his itemized report.

The bill would have the ethics commission devise and provide standard forms for reporting contributions and expenditures.

The commission would be directed to inspect all reports, see that required reports were filed, make investigations of alleged violations and recommend prosecutions.

Although almost a dozen

of the bill were introduced by the House, only the proposed controversial.

Rep. Larry Bales, Austin, was defeated 80-57 when he moved to delete a provision he claimed would be unconstitutional. The provision would require that if any successful candidate had not filed a required campaign finance report 10 days prior to the date he was to take office, he could not take office and the office would be declared vacant.

Bales' supporters claimed that this would unconstitutionally add to the qualifications for office. But Bynum said that should be left for the courts to decide.

One floor amendment adopted would require itemization of expenditures by candidates' public relations firms, rather than just listing of the amounts paid to them.

Sitras

House Bill 323
Pentony

SUBJECT: Campaign Expenditures

PURPOSE: Limit campaign expenditures.

BACKGROUND AND LEGISLATIVE HISTORY

Existing Texas Statutes:

- V.A.T.S. Election Code, art. 14.03 (campaign expenditures).
- V.A.T.S. Election Code, art. 14.05 (civil remedies).
- V.A.T.S. Election Code, art. 14.06 (criminal penalties).
- V.A.T.S. Election Code, art. 14.10 (political advertising).

Bills Introduced in Previous Session Relating to Subject:

HB 47

Presnal

Purpose: Limit campaign expenditures.

Final Action: Referred to committee.

HB 1240

Reed

Purpose: Regulate campaign contributions and expenditures.

Final Action: Referred to committee.

ANALYSIS BY SECTION

1

Amends the Texas Election Code by adding Section 239a as follows:

239a. Limitations on campaign expenditures.

(a) Defines communications media, broadcasting station, registered voters, and consumer price index.

(b) Candidates for offices included may spend for use of communications media more than the specified amounts.

(1) Candidates for governor, lieutenant governor or attorney general may spend 10 cents times the number of registered voters in a general primary or general election, and 5 cents times the number of registered voters in a runoff primary.

(2) For any other statewide office, a candidate may spend 5 cents times the number of registered voters for a general election and 2½ cents in a runoff election.

(3) A candidate in a district race may spend 10 cents times the number of registered voters in the district for a general primary, general election, or special election and 5 cents in a runoff.

(c) No candidate may spend more than 60% of the amount allotted in subsection (b) for the use of broadcast stations.

(d) The amounts determined by subsection (b) shall be increased by the percentage difference between the consumer

ANALYSIS BY SECTION (cont.)

price index for the year of the election and for 1970.

(e) The communications media subject to this subsection are broadcast stations, newspapers, magazines and outdoor advertising facilities. Within 30 days after an election, each medium shall file a sworn statement of obligations incurred by each candidate. This shall also include agents' commissions allowed the agent by the media. Failure to file the report is a misdemeanor punishable by a fine not to exceed \$1000.

(f) All civil and criminal penalties for making unlawful campaign expenditures apply to amounts spent over the designated maximum amounts allowed in this section.

2

Emergency Clause.

By: Bynum, Miller

H.B. No. 4

A BILL TO BE ENTITLED

AN ACT

1
2 regulating campaign contributions and expenditures and political
3 advertising in behalf of or in opposition to candidates for
4 nomination or election to public offices or offices of political
5 parties or in behalf of or in opposition to measures submitted
6 to the voters; containing both civil and criminal penalties for
7 violations; creating the State Ethics Commission and prescribing
8 powers and duties of the commission; repealing Sections 237 through
9 248, Texas Election Code, as amended (Articles 14.01 through
10 14.12, Vernon's Texas Election Code), and enacting new Sections
11 237 through 258, Texas Election Code, to replace the repealed
12 sections; also amending Subsection (b), Section 19, Texas Election
13 Code, as amended (Article 3.05, Vernon's Texas Election Code),
14 and repealing Article 213, Penal Code of Texas, 1925, as amended;
15 and declaring an emergency.

16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

17 Section 1. Sections 237 through 248, Texas Election Code,
18 as amended (Articles 14.01 through 14.12, Vernon's Texas Election
19 Code), as enacted in 1951 and as subsequently amended, are
20 repealed; and new Sections 237 through 258, replacing the repealed
21 sections, are enacted to read as follows:

22 "237. Definitions

23 "As used in this chapter, unless the context requires
24 otherwise:

25 "(a) 'Broadcasting station' is defined as a station engaging

1 in radio or television communication. More specifically, it has
2 the same meaning as in Section 315 (f) of the Federal
3 Communications Act of 1937. The term includes a community antenna
4 television system.

5 "(b) 'Candidate' is defined as an individual who has taken
6 affirmative action to seek nomination or election to public office
7 or political party office.

8 "(c) 'Commission' and 'ethics commission' are defined as
9 the State Ethics Commission.

10 "(d) 'Contribute,' 'contribution,' 'expend,' and
11 'expenditure' are defined as any advance, conveyance, deposit,
12 distribution, transfer of funds, loan, payment, gift, pledge, or
13 subscription of money or anything of value, and any contract,
14 agreement, promise, or other obligation, whether or not legally
15 enforceable, to make a contribution or expenditure, in support
16 of or in opposition to any candidate, political committee, or
17 measure; but do not include services for which no compensation
18 is asked or given.

19 "(e) 'Election' is defined as any primary, general, special,
20 municipal, or school election, and any convention of a political
21 party, held to nominate or elect a candidate to any public office
22 or position of public trust. It shall also include any election
23 at which a measure is submitted to the people.

24 "(f) 'Immediate family' of a candidate is defined as the
25 candidate's spouse, and any child, parent, grandparent, grandchild,
26 brother, or sister of the candidate, and the spouses of such

1 persons.

2 "(g) 'Measure' is defined as any proposal submitted to the
3 people for their approval or rejection at an election, including
4 any proposed law, act or part of an act of the legislature,
5 revision of or amendment to the constitution, local, special, or
6 municipal legislation or proposition or ballot question.

7 "(h) 'Person' is defined as an individual, corporation,
8 partnership, labor union, association, firm, committee, club, or
9 other organization or group of persons.

10 "(i) 'Political advertising' is defined as anything
11 published in a newspaper or periodical, or any pamphlet, handbill,
12 or other printed matter, or anything broadcast by a broadcasting
13 station, or anything displayed on a billboard, in support of or
14 in opposition to any candidate, political committee, or measure
15 in consideration of the receipt or promise of money or other thing
16 of value. The term includes all advertisements of marked ballots,
17 advising or suggesting how voters should mark their ballots.

18 "(j) 'Political committee' is defined as a combination of
19 two or more individuals, or a person other than an individual,
20 the primary or incidental purpose of which is to support or oppose
21 any candidate/candidates or measure/measures to influence the
22 result of an election.

23 "(k) 'Political party office' is defined as any office of
24 a political party that is filled by voters of the party at a
25 primary election.

26 "(l) 'Political treasurer' is defined as an individual

1 appointed by a candidate or political committee as provided in
2 Section 238 of this code.

3 "(m) 'Public office' is defined as any national, state,
4 county, precinct, municipal, or school or other district office
5 or position that is filled by the voters.

6 "(n) 'Special election' includes a referendum, initiative
7 or recall election.

8 "238. Appointments of political treasurer

9 "(a) Each candidate and/or political committee shall appoint
10 a political treasurer and certify the full name and complete
11 address of the political treasurer to the authority designated
12 in Section 242 of this code to receive the statements which the
13 treasurer files under that section.

14 "(b) A candidate or political committee may remove a
15 political treasurer. In case of the death, resignation, or removal
16 of a political treasurer before compliance with all obligations
17 of a political treasurer under this code, such candidate or
18 political committee shall appoint a successor and certify the
19 name and address of the successor in the manner provided in the
20 case of an original appointment.

21 "(c) Except as permitted in Section 245 of this code, no
22 contribution shall be received or expenditure made by or on behalf
23 of a candidate or political committee:

24 "(1) Until the candidate or political committee appoints
25 a political treasurer and certifies the name and address of the
26 political treasurer to the appropriate authority; and

1 "(2) Unless the contribution is received or expenditure
2 made by or through the political treasurer of the candidate or
3 political committee.

4 "(d) Nothing shall be construed to prohibit a candidate
5 from appointing himself/herself as a political treasurer.

6 "239. Duties of political treasurer

7 "(a) The political treasurer of each candidate and political
8 committee shall keep detailed accounts, current within not more
9 than fifteen days after the date of receiving a contribution or
10 making an expenditure, of all contributions received and all
11 expenditures made by or on behalf of the candidate or political
12 committee that are required to be set forth in a statement filed
13 under this chapter.

14 "(b) Accounts kept by the political treasurer of a candidate
15 or political committee may be inspected, before or after the
16 election to which the accounts refer, by an employee of the State
17 Ethics Commission who is making an investigation pursuant to
18 Section 252 (g) of this code.

19 "(c) Accounts kept by a political treasurer shall be
20 preserved for at least one year after the date of the election
21 to which the accounts refer or at least one year after the date
22 the last supplemental statement is filed under Section 243 of
23 this code, whichever is later.

24 "240. Contribution from out-of-state political committee

25 "A political treasurer shall not accept a contribution of
26 more than \$500 from a political committee not in this state unless

1 the contribution is accompanied by a written statement which sets
2 forth the full name and complete address of each person who
3 contributed more than \$100 of the contribution and which is
4 certified as true and correct by an officer of the contributing
5 political committee.

6 "241. Requisites for filed statements; deadline for filing

7 "(a) A person required to file a statement under this
8 chapter shall file a statement prepared by and provided through
9 the State Ethics Commission.

10 "(b) The deadline for filing any statement required under
11 this chapter is 5 p.m. of the last day designated in the pertinent
12 section of this code for filing the statement. When the last day
13 for filing falls on a Saturday or Sunday or an official state
14 holiday enumerated in Article 4591, Revised Civil Statutes of
15 Texas, 1925, as amended, the deadline for filing is extended to
16 5 p.m. of the next day which is not a Saturday or Sunday or
17 enumerated holiday.

18 "(c) Any statement required by any provision of this Act
19 to be filed within a specified time period shall be deemed to be
20 timely filed if it is placed in the United States Post Office or
21 in the hands of a common or contract carrier properly addressed
22 to the appropriate authority within the time limits applicable
23 to the statement.

24 "(d) The postmark or receipt mark (if received by a common
25 or contract carrier) will be prima facie evidence of the date
26 that such statement was deposited with the post office or carrier.

The person making the report may show by competent evidence that the actual date of posting was to the contrary.

"242. Political treasurer to file statements

"(a) Subject to the provisions of Subsections (b) and (c) of this section, the political treasurer of each candidate and political committee shall file with the appropriate authority, as designated in Subsection (f) or (g) of this section:

"(1) Not earlier than the 40th day and not later than the 31st day before the date of an election in which the candidate or political committee is involved, a statement of all contributions received and all expenditures made by or on behalf of the candidate or political committee during the period beginning as provided in Subsection (d) of this section and ending on the 40th day before the date of the election;

"(2) Not earlier than the 10th day and not later than the 7th day before the date of an election in which the candidate or political committee is involved, a statement of all contributions received and all expenditures made by or on behalf of the candidate or political committee during the period beginning on the day following the period included in the statement filed under Subsection (a) (1) or Subsection (b) of this section and ending on the 10th day before the date of the election; and

"(3) Not later than the 31st day after the date of an election in which the candidate or political committee is involved, a statement of all contributions received and all expenditures made by or on behalf of the candidate or political committee

1 during the period beginning as provided in Subsection (d) of this
2 section and ending on the 14th day after the election.

3 "(b) Whenever the period for which a statement required
4 by Subsection (a) (1) of this section begins later than the 40th
5 day before the date of the election, the first statement shall
6 be filed not later than the 14th day before the election and shall
7 include the contributions and expenditures from the beginning of
8 the period through the 21st day before the date of the election.

9 "(c) Whenever a candidate is in a runoff election, not
10 later than the 7th day before the election the treasurer shall
11 file a statement of all previously unreported contributions and
12 expenditures through the 10th day before the runoff election.
13 The statement required by Subsection (a) (3) of this section shall
14 be filed not later than the 31st day after the runoff election
15 and shall list all contributions received and all expenditures
16 made during the period beginning as provided in Subsection (d)
17 of this section and ending on the 14th day after the runoff
18 election.

19 "(d) The period referred to in Subsection (a) (1) of this
20 section begins:

21 "(1) For a general or special election in which the
22 candidate on whose behalf the statement is required was nominated
23 at a primary election or convention, on the 15th day after the
24 date of the preceding primary election or convention at which the
25 candidate was nominated;

26 "(2) For any other election, on the day that a treasurer

1 was first appointed under Section 238 of this code, or for a
2 continuing political committee, on the day following the period
3 included in the last report filed.

4 "(e) Each statement required by this section shall be
5 signed as true and correct by the political treasurer required
6 to file it.

7 "(f) The statements filed by the political treasurer of
8 a candidate or of a political committee which is supporting or
9 opposing a candidate or candidates shall be filed with the
10 following designated authority, depending on the office for which
11 the candidate or candidates is running:

12 "(1) For a statewide or district office within the
13 classification of state offices, as enumerated in or designated
14 under Section 61c, Subdivision 1, of this code, with the State
15 Ethics Commission;

16 "(2) For a county or precinct office within the
17 classification of state offices, as enumerated in or designated
18 under Section 61c, Subdivision 1, of this code, with the county
19 clerk of the county;

20 "(3) For the party office of county chairman or precinct
21 chairman, with the county clerk of the county;

22 "(4) For an office of an incorporated city, town, or
23 village, with the secretary or clerk of the municipality;

24 "(5) For an office of a school district, hospital district,
25 conservation district, or any other political subdivision of this
26 state which is organized as a body politic, except counties,

1 cities, towns, and villages, with the secretary or clerk of the
2 political subdivision.

3 "(g) The statements filed by the political treasurer of
4 a political committee which is supporting or opposing a measure
5 shall be filed with the following designated authority:

6 "(1) On a statewide measure with the State Ethics
7 Commission;

8 "(2) On a measure submitted at an election ordered by the
9 commissioners court, the county judge, or some other officer of
10 a county, with the county clerk of the county;

11 "(3) On a measure submitted at an election ordered by the
12 governing board, the mayor, or some other officer of a
13 municipality, with the secretary or clerk of the municipality;

14 "(4) On a measure submitted at an election ordered by a
15 governing board or an officer of a political subdivision of the
16 state other than a county or municipality, with the secretary or
17 clerk of the political subdivision. :

18 "243. Statements concerning unexpended contributions and
19 expenditure deficits

20 "(a) If a statement filed under Section 242 (a) (3) of
21 this code shows an unexpended balance of contributions or an
22 expenditure deficit, the political treasurer of the candidate or
23 political committee shall file with the appropriate authority:

24 "(1) Not later than the 31st day after the deadline for
25 filing the statement under Subsection (a) (3) or Subsection (c)
26 of Section 242 of this code, a supplemental statement of

1 contributions and expenditures; and

2 "(2) Every 60 days after the deadline for filing the first
3 supplemental statement, an additional supplemental statement of
4 contributions and expenditures; and such supplemental statements
5 shall continue to be filed until the account shows no unexpended
6 balance of contributions or expenditure deficit. Provided,
7 however, that no filing will be required under this section if
8 there has been no expenditure or contributions since the last
9 filing.

10 "(b) Each supplemental statement required by this section
11 shall be signed and certified as true and correct by the political
12 treasurer required to file it.

13 "(c) If a candidate wins nomination, supplemental statements
14 under this section need not be filed with respect to the nomination
15 campaign by the political treasurer of a political committee
16 supporting the candidate, if such political committee continues
17 to function in support of such candidate in the campaign for the
18 general or special election, or by the political treasurer of
19 such candidate.

20 "244. Statement when no contribution or expenditure for
21 period

22 "If no contribution is received or expenditure made by or
23 on behalf of a candidate or political committee during a period
24 described in Section 242 or 243 of this code, the
25 political treasurer of the candidate or political committee shall
26 file with the appropriate authority, at the time required by such

1 section of this code for the period, a statement to that effect.
2 Each statement shall be signed as true and correct by the political
3 treasurer required to file it.

4 "245. Expenditures by individuals

5 "It is lawful for an individual, not acting in combination
6 with any other individual, to make expenditures in a total amount
7 of less than \$25 in support of or in opposition to any one
8 candidate, political committee, or measure without reporting the
9 expenditure to a political treasurer. An individual shall report
10 any total expenditure of \$25 or more to the appropriate political
11 treasurer. Each political treasurer shall include the expenditures
12 reported to him under this section in the statements which he
13 files under Section 242 of this code.

14 "246. Contents of statement

15 "(a) A statement filed under Section 242, 243, or 245 of
16 this code shall set forth:

17 "(1) Under contributions, a list of all the contributions
18 received including aggregate totals and totals of individual
19 contributions. The statement shall specifically list the full
20 name and complete address of each person who contributed an
21 aggregate amount of \$25 or more, and the amount contributed by
22 that person.

23 "(2) Under loans, a list of all the loans received or made
24 by the candidate. The statement shall list the full name and
25 complete address of each individual or lending institution who
26 loaned an aggregate amount of \$25 or more and the amount loaned

1 by that individual or lending institution.

2 "(3) Under expenditures, a list of all expenditures made,
3 showing the amount and purpose thereof. For each expenditure in
4 amount of \$25 or more, the statement shall also list the full
5 name and complete address of the payee, and if such payee is a
6 public relations firm or another person or persons acting on
7 behalf of the candidate then such public relations firm, person
8 or persons who received such payment shall furnish to the said
9 candidate an itemized list as to how such expenditures were made
10 and the date thereof and to whom, which shall be included in the
11 candidate's statement as required in this Act.

12 "(4) The treasurer of any candidate or committee shall
13 keep an accurate record of each such expenditure which shall be
14 vouched for by a receipt or cancelled check or an accurate copy
15 thereof. These records shall be preserved for a period of one
16 year.

17 "247. Political advertising

18 "No political advertising shall be accepted for printing,
19 publication, or broadcasting unless a copy of the matter to be
20 printed or published, signed by the individual contracting therefor
21 and showing his full address and, if he is acting as an agent,
22 showing also the name of the candidate, political treasurer,
23 political committee, or business entity he represents, is deposited
24 with the printer, publisher, or broadcaster accepting the
25 advertising. The person accepting the advertising shall preserve
26 the signed copy for a period of one year after the date of the

1 election to which the advertising relates, and shall permit any
2 interested individual to inspect the signed copy at any time
3 during business hours, but only after the advertising has been
4 printed, published, or broadcast. Such advertising shall be
5 labeled as political advertising in the advertisement as printed,
6 published, or broadcast. Any printed or published political
7 advertising shall also have printed on it the name and address
8 of the printer or publisher and the person paying for the
9 advertising.

10 "248. Contributions by corporation or labor union

11 "(a) Except as permitted in Subsection (f) of this section,
12 no corporation or labor union shall pay or contribute, or offer,
13 consent, or agree to pay or contribute, directly or indirectly,
14 any money, property, free service of its officers or employees,
15 or other thing of value to any political party, candidate,
16 political committee, or political treasurer, or to any person for
17 the purpose of influencing an election; provided, however, that
18 nothing in this section or in Article 213 of the Penal Code shall
19 prevent the making of a loan or loans to any candidate for campaign
20 purposes by any corporation which is legally engaged in the
21 business of lending money.

22 "(b) Any corporation or labor union that violates Subsection
23 (a) of this section shall be fined not less than \$1,000 and not
24 more than \$10,000 and shall pay to the State a penalty equal to
25 three times the value of the illegal payment or contributions.

26 "(c) Any officer, partner, employee, agent, attorney, or

1 other representative of a corporation, or labor union who aids,
2 abets, advises, or participates in a violation of Subsection (a)
3 of this section shall be fined not less than \$100 nor more than
4 \$5,000 or imprisoned in the county jail not more than two years,
5 or both fined and imprisoned.

6 "(d) Any person who knowingly accepts a payment or
7 contribution made in violation of Subsection (a) of this section
8 shall be fined not more than \$1,000 or imprisoned in the county
9 jail not more than one year, or be both fined and imprisoned.

10 "(e) If a political treasurer is offered or receives a
11 payment or contribution made in violation of Subsection (a) of
12 this section, he shall take such action as the State Ethics
13 Commission shall prescribe through published regulations, but in
14 no event shall he retain such payment or contribution or permit
15 it to be used to benefit any candidate or political committee.
16 The commission's regulations shall apply to all political
17 treasurers, regardless of whether the treasurer's statements are
18 filed with the commission or with some other authority.

19 "(f) In any election in any county, municipality, district,
20 or other political subdivision of the state, wherein the question
21 to be voted upon directly affects the granting or refusing of a
22 franchise to a corporation, or labor union, or directly affects
23 the existence or value of a franchise already granted, the
24 corporation or labor union so affected may present facts and
25 arguments to the voters bearing upon such question by any lawful
26 means of publicity and pay the expense thereof. All such means

1 of publicity employed shall contain a clear statement that the
2 publicity is sponsored and paid for by such corporation or labor
3 union and a failure to comply with this requirement subjects the
4 corporation or labor union and its agents responsible for the
5 violation to the penalties stated in Subsection (h) of this
6 section.

7 "(g) If any corporation or labor union makes any expenditure
8 or incurs any obligation directly or indirectly for the purpose
9 of influencing an election of the character described in Subsection
10 (f) of this section it shall file with the governing body of the
11 political subdivision in which the election is held, not earlier
12 than the 10th day nor later than the 7th day before the date of
13 such election, and also not later than the 14th day after the
14 date of such elections, itemized, verified accounts correctly
15 showing, as of the date of filing, the amounts of money and
16 description and value of all things contributed or expended by
17 the corporation or labor union and the names and addresses of the
18 recipients thereof in connection with the election. All such
19 accounts shall be verified by an officer of the corporation or
20 labor union or by a member of the corporation or labor union which
21 does not have officers. No such corporation or labor union may
22 contribute or expend, with respect to a single election, an amount
23 which exceeds the lesser of:

24 "(1) \$10,000; or

25 "(2) \$25 for each 100 inhabitants of the county,
26 municipality, district, or other political subdivision in which

1 the election is held, provided that the limit shall not be less
2 than \$1,000.

3 "Any corporation or labor union failing to file the accounts
4 required by this subsection or filing an account which is false
5 in any material respect, or violating the limitation on
6 expenditures, is subject to the penalties provided in Subsection
7 (h) of this section.

8 "(h) Any corporation or labor union that violates any
9 provision of Subsection (f) and (g) of this section shall be fined
10 not more than \$5,000. Any officer, partner, employee, agent,
11 attorney, or other representative of a corporation or labor union
12 who aids, abets, advises, or participates in a violation of
13 Subsection (f) or (g) of this section shall be fined not more
14 than \$5,000 or imprisoned in the county jail not more than six
15 months, or be both fined and imprisoned.

16 "249. Rate of charge for political advertising

17 "No newspaper, periodical, electronic medium, or other
18 supplier of materials or services shall require a candidate or
19 political committee to pay a higher charge than the normal charge
20 it requires other customers to pay for comparable materials and
21 services.

22 "250. Secretary of State's duty with respect to campaign
23 fund reports

24 "(a) The Secretary of State shall cause one certified copy
25 of each report or statement filed with him under Section 309 of
26 the Federal Election Campaign Act of 1971 to be delivered to the

1 State Ethics Commission within one week of the time he receives
2 such report or statement. The Secretary of State may appoint the
3 State Ethics Commission to receive reports and statements under the
4 Federal Campaign Act.

5 "(b) No provision of this code shall be construed to require
6 a candidate for federal office who submits reports to any duly
7 constituted authority of the United States government to file
8 reports under the provisions of this Act.

9 "251. State Ethics Commission

10 "(a) The State Ethics Commission is created, consisting
11 of 12 members appointed as follows:

12 "(1) Two individuals appointed by the Chief Justice of the
13 Supreme Court;

14 "(2) Two individuals appointed by the presiding judge of
15 the Court of Criminal Appeals;

16 "(3) Two individuals appointed by the Attorney General;

17 "(4) Two individuals appointed by the Governor;

18 "(5) Two individuals appointed by the Speaker of the House
19 of Representatives; and

20 "(6) Two individuals appointed by the Lieutenant Governor.

21 "(b) No member of the commission may be a state officer,
22 a state employee, or a person required to be registered under
23 Chapter 9, Acts of the 55th Legislature, 1st Called Session, 1957
24 (Article 183-1, Vernon's Texas Penal Code).

25 "(c) Except for the initial appointees, members serve
26 staggered terms of six years each. Terms expire on January 31

1 of odd-numbered years. In the initial appointments, the term of
2 one member appointed by the Chief Justice of the Supreme Court,
3 by the presiding judge of the Court of Criminal Appeals, by the
4 Attorney General, and by the Governor expires on January 31, 1975;
5 the term of one member appointed by the Chief Justice of the
6 Supreme Court, by the presiding judge of the Court of Criminal
7 Appeals, by the Speaker of the House of Representatives, and by
8 the Lieutenant Governor expires on January 31, 1977; and the term
9 of one member appointed by the Attorney General, by the Governor,
10 by the Speaker of the House of Representatives, and by the
11 Lieutenant Governor expires on January 31, 1979. The person
12 making the initial appointment shall designate the expiration
13 date of the term of each member he appoints in accordance with
14 this subsection.

15 "(d) Each appointee to the commission shall qualify by
16 taking the constitutional oath of office within 15 days from the
17 date of his appointment. On presentation of the oath, the
18 Secretary of State shall issue commissions to appointees as
19 evidence of their authority to act as members of the commission.

20 "(e) The state officers authorized to appoint members to
21 the commission may reappoint one member whom they previously
22 appointed to the commission. However, they may not reappoint a
23 person who is completing a term as a member of the commission and
24 who was originally appointed by another state officer. No person
25 may serve more than two terms as a member of the commission.

26 "(f) The commission shall elect from its members a chairman

to serve a term of two years.

"(g) Members of the commission shall be reimbursed for actual expenses incurred in the performance of their duties and shall receive \$50 per diem for each day spent in the performance of their duties.

"(h) Acts of the commission require the concurrence of a majority of the members.

"(i) The commission shall appoint an executive secretary and other personnel necessary to carry out the duties placed upon it by this chapter.

"(j) Compensation for employees of the commission and the funds for the costs of administering the duties placed upon it by this chapter shall be as provided by legislative appropriation.

"(k) The commission may make rules to govern its proceedings consistent with this chapter.

"(l) The commission may prepare and publish, from time to time, summaries of statements received and other appropriate reports.

"252. Duties of commission

"It shall be the duty of the commission:

"(a) To prescribe forms for statements and other information required to be filed by this code, regardless of whether the statements are to be filed with the commission or with some other authority, and to make such forms available to persons required to file such statements and information with the commission, or any other authority.

1 "(1) It shall be the duty of the State Ethics Commission
2 to furnish these forms to the following: the State Executive
3 Committee of any political party, the clerk of each county, the
4 duly elected chairman of each county political party, the clerk
5 or secretary of each political subdivision or authority holding
6 an election under this code.

7 "(2) The State Executive Committee, clerk, county chairman,
8 and secretary or clerk shall make available to all candidates or
9 political committees the forms provided by the State Ethics
10 Commission.

11 "(b) To prepare and publish a manual setting forth a
12 prescribed uniform system for accounts for use by persons required
13 to file statements or other information by this code.

14 "(c) To accept and file any information voluntarily supplied
15 that exceeds the requirements for this code.

16 "(d) To develop a filing, coding, and cross-indexing system
17 for the material filed with the commission under this code.

18 "(e) To make public reports and public statements filed
19 with the commission available for inspection and copying during
20 regular office hours, and to make copying facilities available
21 free of charge or at a charge not to exceed actual cost.

22 "(f) To preserve such statements and other information for
23 a period of five years from date of receipt.

24 "(g) To make investigations with respect to statements
25 filed with the commission under the provisions of this code, and
26 with respect to alleged failures to file any statement required

1 to be filed with the commission under the provisions of this code,
2 and, upon complaint by any individual, with respect to alleged
3 violations of any part of this code which involve elections for
4 offices or measures wherein the statements of the political
5 treasurers are filed with the commission.

6 "(h) To report suspected violation of law to the appropriate
7 law enforcement authorities.

8 "(i) To issue, upon request, advisory opinions on the
9 requirements of this code, based on real or hypothetical
10 circumstances, regardless of whether the election involved is one
11 in which the statements of the political treasurers are to be
12 filed with the commission or with some other authority.

13 "253. Providing for open meetings

14 "(a) 'Meeting' means any deliberation between members of
15 this commission at which any public business or public policy is
16 discussed or considered, or at which any formal action is taken.

17 "(b) Except as otherwise provided in this Act or in the
18 Constitution, every regular, special, or called meeting or session
19 of this commission shall be open to the public; and no closed or
20 executive meeting or session of this commission for any of the
21 purposes for which closed or executive meetings or sessions are
22 hereinafter authorized shall be held.

23 "(c) All or any part of the proceedings in any public
24 meeting of this commission as defined hereinabove may be recorded
25 by any person in attendance by means of a tape recorder or any
26 other means of sonic reproduction.

1 "(d) Written notice of the date, place, and subject of
2 each meeting held by this commission shall be given before the
3 meeting as prescribed by the open meetings law of this state.

4 "This commission shall furnish notice to the Secretary of
5 State, who shall then post the notice on a bulletin board to be
6 located at a place convenient to the public in the State Capitol.

7 "(e) Any member of this commission who wilfully calls or
8 aids in calling or organizing a special or called meeting or
9 session which is closed to the public, or who wilfully closes or
10 aids in closing a regular meeting or session to the public, or
11 who participates in a regular, special, or called meeting or
12 session which is closed to the public, shall be guilty of a
13 misdemeanor and on conviction is punishable by a fine of not less
14 than \$100 nor more than \$500 or imprisonment in the county jail
15 for not less than one month nor more than six months, or both.

16 "(f) Any member or group of members of this commission who
17 conspires to circumvent the provisions of this Act for the purpose
18 of secret deliberations in contravention of this Act shall be
19 guilty of a misdemeanor and on conviction is punishable by a fine
20 of not less than \$100 nor more than \$500 or imprisonment in the
21 county jail for not less than one month nor more than six months,
22 or both.

23 "254. Official inspection of statements filed with
24 commission

25 "The staff of the commission shall inspect each statement
26 filed with the commission under this code within 30 days after

1 the date it is filed. He shall immediately notify a person
2 required to file a statement if:

3 "(a) It appears that the person has failed to file a
4 statement as required by law or that a statement filed by the
5 person does not conform to law; or

6 "(b) A written complaint is filed with the commission by
7 any registered voter alleging that a statement filed with the
8 commission does not conform to law or that a person has failed
9 to file a statement required by law.

10 "255. Examination of statements after election

11 "Within three months after the date of each election, the
12 staff of the commission shall examine each statement filed with
13 the commission under this code which refers to the election, to
14 determine whether the statement conforms to law. Such examination
15 shall include a comparison of reports and statements received by
16 the commission pursuant to Sections 242, 243, 244, 245, 247, and
17 250 of this code.

18 "256. Withholding of certificate of election and declaring
19 a vacancy

20 "No certificate of election shall be granted to any candidate
21 until his political treasurer has filed the statements referring
22 to the election he is required to file under Section 242 of this
23 code. If any candidate has failed to file statements in compliance
24 with the regulations of Section 242 of this code 10 days prior
25 to the date at which he/she is to be sworn in or take office, the
26 office shall be declared vacant and filled in the manner prescribed

1 in the code.

2 "257. Offenses

3 "Any person who violates the provisions of Sections 238,
4 239, 240, 241, 242, 243, 244, 245, 246, 247, 249, or 256 of this
5 code is guilty of a misdemeanor and shall be fined not more than
6 \$1,000 if an individual, and not more than \$5,000 if a person
7 other than an individual, or imprisoned in the county jail for
8 not more than one year, or be both fined and imprisoned.

9 "258. Enforcement by injunction

10 "The district courts of this state shall have jurisdiction
11 to issue injunctions to enforce the provisions of this code upon
12 application by any citizen of this state."

13 Sec. 2. Subsection (b), Section 19, Texas Election Code,
14 as amended (Article 3.05, Vernon's Texas Election Code), is amended
15 to read as follows:

16 "(b) By candidates. Any ~~[five or one-fifth of the]~~
17 candidate [s], ~~[whichever is less]~~ whose name [s] appears on the
18 official ballot of any general, special, ~~[or]~~ primary, municipal,
19 or school election may appoint two watchers for each election
20 precinct and places of absentee voting in which the name [s] of
21 such candidate [s] appears on the ballot, by delivering to each
22 such watcher appointed by him/her, ~~[them, prior to the day of the~~
23 ~~election]~~ a certificate of his/her appointment setting forth the
24 name of the person appointed and the number of the precinct where
25 such watcher is to serve. The certificate shall be signed
26 personally by the candidate [s] making the appointment, or by an

1 agent designated in a written instrument, signed by the candidate,
2 to make the appointment for him/her, and shall also bear the
3 signature of the appointee.

4 ~~[The assistant campaign manager of any candidate for state~~
5 ~~or district office, designated in accordance with Section 238 of~~
6 ~~this code, may act on behalf of the candidate he represents in~~
7 ~~the appointment of watchers in the county for which he has been~~
8 ~~named assistant campaign manager, and certificates executed by~~
9 ~~him shall bear his signature as agent for the candidate, in lieu~~
10 ~~of the candidate's signature.]~~ Where an appointment is made
11 through an agent, either a signed copy of the instrument
12 designating the agent or a photographic reproduction of a signed
13 copy must be attached to the certificate."

14 Sec. 3. Article 213, Penal Code of Texas, 1925, as amended,
15 is repealed.

16 Sec. 4. Nothing in this Act repeals or otherwise affects
17 Article 5428a, Revised Civil Statutes of Texas, 1925, as added
18 by House Bill No. 8, Acts of the 63rd Legislature, Regular Session,
19 1973.

20 Sec. 5. If any provision of this Act or the application
21 thereof to any person or circumstance is held invalid, such
22 invalidity shall not affect other provisions or applications of
23 the Act which can be given effect without the invalid provision
24 or application, and to this end the provisions of this Act are
25 declared to be severable.

26 Sec. 6. This Act shall take effect on September 1, 1973,

1 and the first reporting period for any existing candidate or
2 political committee shall start on the effective date of this
3 Act. However, this Act shall not apply to any election which is
4 held on or before November 1, 1973, and all laws which are repealed
5 by this Act shall continue in force with respect to all elections
6 held on or before November 1, 1973.

7 Sec. 7. The importance of this legislation and the crowded
8 condition of the calendars in both houses create an emergency and
9 an imperative public necessity that the constitutional rule
10 requiring bills to be read on three several days in each house
11 be suspended, and this rule is hereby suspended.