

Campaign Finance for County Party Chairs

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Texas Ethics Commission
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Ethics Commission Duties

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- ❑ Campaign Finance
- ❑ Lobbying
- ❑ Personal Financial Disclosures and Conflict of Interest Provisions for State Officers
- ❑ Interpret Penal Code Chapters 36 and 39
- ❑ Set Legislative Per Diem
- ❑ Other statutory duties

ETHICS COMMISSION



Secretary of State's Office



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Agenda

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- Ethics Commission Duties
- County Party Filing Duties
- Helping Your Candidates
Comply
- What's New?

County Party Duties

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- Party Corporation/Labor Org. Report (PTY-CORP)
- County Executive Committee (CEC)
- Candidate for County Party Chair (SC C/OH)
- Helping candidates recognize their campaign finance filing obligations*

Party Corporation/ Labor Org. Report

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- ▣ Duty of County Chair to file
- ▣ Must file if the political party accepts, spends or *maintains* contributions from labor organization or corporations
- ▣ Separate account/record keeping required
- ▣ Use restricted to:
 - Defray normal overhead and administrative costs; or
 - Administer a primary election or convention

Party Corporation/ Labor Org. Report

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▣ Filing Schedule:

- Reports due Jan. 15, July 15, 8th day before primary, 50th day before general election
- ▣ If you have corporate/labor money, you must file the report
- ▣ If you have accepted corporate/labor money you must keep filing this report until it is all gone

Party Corporation/ Labor Org. Report

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- ▣ PTY-CORP form filed electronically
- ▣ Discloses corporate/labor org. money coming in and going out
 - Loans, pledges, contributions, etc.

County Executive Committee (CEC)

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- ▣ CEC treasurer's obligation to file
- ▣ Must file reports if:
 - expenditures exceed \$25,000 in calendar year; or
 - treasurer appointment on file

County Executive Committee (CEC)

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▣ Reporting Schedule:

- Semiannual (Jan. 15, July 15)
- Pre-election (30th day and 8th day before election)
- Run-off (8th day before election)
- 10th day after campaign treasurer termination
- Final Report
- (Option to file monthly)

Candidate for County Party Chair

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- ▣ Candidate's obligation to file
- ▣ Must file reports when county population is 350,000 or more
- ▣ Campaign *advertising* rules apply to all county chair candidates

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Helping Your Candidates Comply

Campaign Finance Basics

- If you don't know the answer, know who does
- Can refer candidates to proper filing authority or the Commission
- Referring to TEC or our website always the right answer

Who is a Candidate?

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(1) “Candidate” means a person who knowingly and willingly takes affirmative action for the purpose of gaining nomination or election to public office or for the purpose of satisfying financial obligations incurred by the person in connection with the campaign for nomination or election. Tex. Elec. Code § 251.001(1)

Campaign Treasurer Appointment

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- **§ 252.001. Appointment of Campaign Treasurer Required**
 - ▣ Each candidate and each political committee shall appoint a campaign treasurer . . .
- All candidates must file a campaign treasurer appointment regardless of whether they plan on accepting/spending campaign funds.

Who is a Candidate? Example #1

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- Travis is thinking about running for the justice of the peace for his county. He believes people in the community know who he is and what he stands for and therefore doesn't plan on spending any money or accepting any money in connection with his campaign. On January 1, he tells his friend that he's thinking of running and asks her if she thinks it's a good idea. **Q: Is he candidate?**
- A: No. No statement of definitive intent, no request for support

Who is a Candidate? Example #2

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- Travis decides to run but still hasn't filed a CTA. Travis decides that he wants to stand in front of a banner at his public announcement that reads:
"Elect Travis

Justice of the Peace."

He buys a large banner at the local print shop. **Q:**
What has Travis done wrong?

- A: He made a campaign expenditure before filing a CTA. He became a candidate and did file a CTA.

Bonus Round: What's wrong with the ad?

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- “Elect Travis Justice of the Peace.”
- Misleading use of office title. Elec. Code § 255.006.
- No political ad disclosure. Elec. Code § 255.001.
- Highway right-of-way disclosure? Elec. Code § 255.007

Political Advertising: Mini Lesson

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- Include political advertising disclosure statement
 - ▣ Pol. Ad by [name of person who paid or candidates name if authorized by candidate]
- Don't misrepresent identity
- Don't misrepresent true source of ad
- Don't make it seem like you hold an office you don't hold
- Put a highway right-of-way disclaimer if meant to be seen from a roadway

Campaign Treasurer Appointment: The Basics

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- Form CTA or JCTA for judicial candidates
- Option to appoint yourself treasurer
- Option (for some) to select modified reporting
 - ▣ Need to anticipate accepting less than \$500 in campaign contributions and making less than \$500 in campaign expenditure
- CTA must be on file before you accept campaign contributions or make campaign expenditures
- CTAs do NOT simply expire

Campaign Treasurer Appointment: Where to File

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- Texas Ethics Commission Filers include:
 - ▣ Statewide offices (e.g. Governor, Lt. Governor, Attorney General, Comptroller)
 - ▣ Texas Senate, House of Representatives
 - ▣ Multi-County District Attorney
 - ▣ State Board of Education
 - ▣ Judges/Justices sitting on the District Court or higher
 - ▣ State/county chair candidate
- Local Filers = Everyone Else

Campaign Treasurer Appointment: Where to File

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- Where do local filers file?
 - ▣ County clerk, if seeking county office, precinct office, single-county district office (except district judge)
 - E.g. County commissioner
 - ▣ The clerk or secretary of political subdivision for the office sought, or governing body's presiding member if no clerk or secretary
 - City council = City Secretary
 - School board trustee = Secretary of the School Board

Campaign Finance Reports: Regular Filing Schedule

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- Semiannual Reports
 - ▣ January 15th and July 15th
- 30 days prior to election
- 8 days prior to election
- 8 days prior to run-off

Continued Filing Obligations

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□ Officeholder Finance Reports

▣ TEC filers:

- Semiannual reports required (except for state/county chairs)

▣ Local filers:

- Semiannual reports required if:
 - Officeholder makes more than \$500 in officeholder expenditures during semiannual reporting period
 - Officeholder accepts more than \$500 in officeholder contributions during the semiannual reporting period

Electronic Filing

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- TEC filers need to file electronically unless they qualify for a waiver
- Some political subdivisions require electronic filing
- All other local filers file on paper
- Paper filers:
 - ▣ Semiannual postmarked by due date
 - ▣ Pre-election reports *received* by due date

Candidate Campaign Finance Basics

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- ❑ Keep records (for at least two years)
- ❑ Open an separate bank account
- ❑ Candidates may not convert funds to personal use
- ❑ Candidates may not accept contributions from corporations/labor orgs.
- ❑ No cash contributions over \$100 for candidates
- ❑ No anonymous contributions
- ❑ Report accurately
- ❑ Campaign expenditures from personal funds are reportable

Filing a Final Report

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- Where to File:
 - ▣ Filing authority where your active CTA is on file
- What to File:
 - ▣ Can be filed as standalone report or in combination with another required campaign finance report
 - ▣ Covers activity from first day after the period covered by your last report through the day you file the Final Report
 - ▣ Paper Filers:
 - Form C/OH with Schedule FR attached
 - ▣ Electronic Filers:
 - Check “Final” box

Continued Filing Obligations

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- Annual Reports of Unexpended Contributions
 - Who Files:
 - A former candidate (who is not an officeholder) who filed a Final Report when he or she still had unexpended contributions or campaign assets
 - A person who leaves office, does not have a CTA on file, and still has unexpended contributions or campaign assets
 - When to File:
 - Between January 1st and January 15th annually

Keep In Mind

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- It's the candidate's responsibility to make sure s/he fulfilled all filing obligations
- CTAs do not expire on their own
- Reporting about corporate money is the party chair's responsibility
- Other party reporting obligations fall to campaign treasurer

What's New?

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□ Legislative Update

- Judicial candidates/officeholders can now make political expenditures to the state/county party from their own political contributions IF the party supports judicial candidates
- Also exempts contributions to attend events of a political committee affiliated with a designated auxiliary, coalition, or county chair assoc. of a political party as provided by pol. party rule or state exec. Committee bylaw or local chapter of same.
 - HB 3903 codified at 253.1611

What's New?

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- New at the Commission
 - ▣ Symposium scheduled for October 20 in Houston
 - ▣ Check website for details

Resources

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□ Questions?

- Read TEC instructions and guides
- Filing schedules and guides online at:
 - www.ethics.state.tx.us
- Legal or Technical: TEC (512) 463-5800
- Email: james.tinley@ethics.state.tx.us