



# TEXAS ETHICS COMMISSION



## ETHICS ADVISORY OPINION NO. 400

*June 12, 1998*

*Whether a candidate's use of personal funds to make payments on a campaign loan constitutes a political expenditure from the candidate's personal funds for purposes of section 253.042(a), Election Code. (AOR-438)*

A candidate has asked whether a candidate's use of personal funds to make payments on a campaign loan constitutes a political expenditure from the candidate's personal funds for purposes of section 253.042(a), Election Code. Section 253.042(a) provides as follows:

A candidate or officeholder who makes political expenditures from the candidate's or officeholder's personal funds may not reimburse those personal funds from political contributions in amounts that in the aggregate exceed the following amounts for each election in which the person's name appears on the ballot:

- (1) for a statewide office other than governor, \$250,000; and
- (2) for governor, \$500,000.

A candidate who uses personal funds to make payments on a campaign loan is making a political expenditure from personal funds.<sup>1</sup> This means that a candidate who properly reports such payments may use political contributions to reimburse himself for the payments, subject to any applicable limit on reimbursement. *See generally* Elec. Code §§ 253.035(a) (restricting use of political contributions for personal purposes), (h)(1) (reporting required for reimbursing political expenditures from personal funds); 253.162 (reimbursement limits applicable to judicial candidates).<sup>2</sup>

### SUMMARY

A candidate who uses personal funds to make payments on a campaign loan is making a political expenditure from personal funds. This means that a candidate who properly reports such payments may use political contributions to reimburse himself for the payments, subject to any applicable limit on reimbursement.

<sup>1</sup> In this instance the loan was made to a specific-purpose political committee that had been created to support the candidate. The candidate personally guaranteed the loan. Those facts do not alter the result that the candidate's use of personal funds to make payments on the loan would constitute a political expenditure from personal funds.

<sup>2</sup> A recent opinion, [Ethics Advisory Opinion No. 389](#) (1998), considered a related issue. That opinion states that the use of *political contributions* to make payments on a campaign loan does not constitute a reimbursement of personal funds.