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Stimulus *PAC*-kage:

Speaker's Race Accelerated PAC Spending In 2008 Cycle

- **PACs Ramped Up 2008 Spending 21 percent To a Total of Almost \$120 Million.**
- **Ideological Committees Battled Over Partisan Control of the Legislature.**
- **Plaintiff Lawyers Fueled a Democratic Resurgence.**

Austin—A record number of Texas political action committees (PACs) spent almost \$120 million in the two-year 2008 election cycle, a 21 percent increase over the \$99 million spent in the preceding cycle. This pop in PAC spending is remarkable given that it follows a 2006 gubernatorial election year that boasted *four* well-funded gubernatorial candidates. Driving the 2008 expansion were so-called Ideological and Single-Issue PACs. They boosted their spending 34 percent, led by PACs that spent heavily on the close races most likely to influence the partisan make-up of the Texas Legislature. While falling two seats short of House control, Democrats gained ground and helped moderate Republican Rep. Joe Straus elbow out hardliner Tom Craddick as speaker.

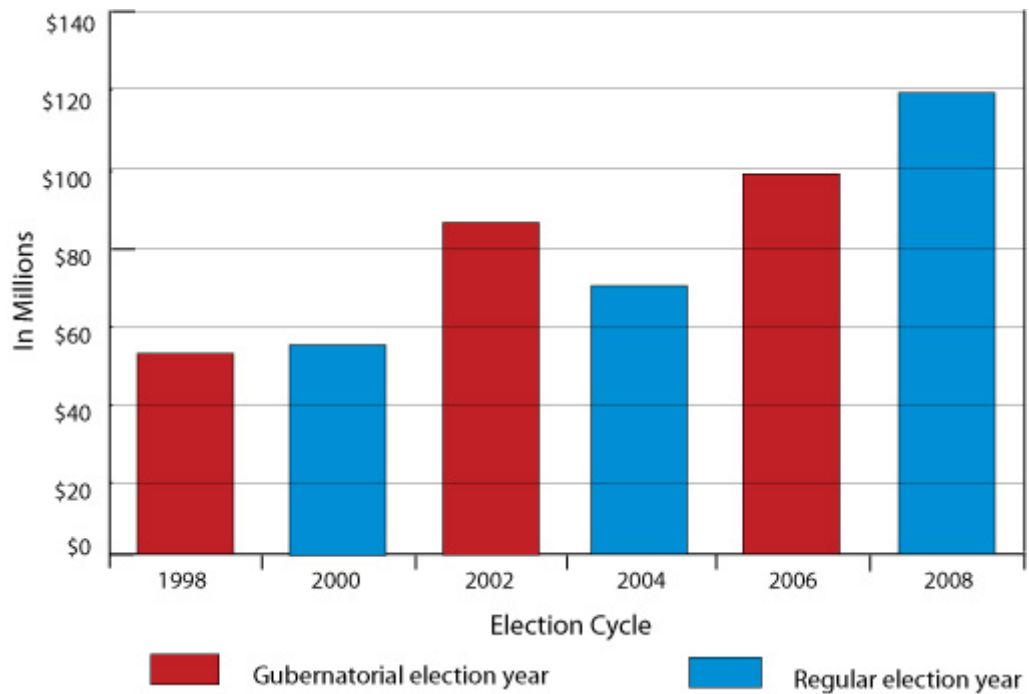
This story of Texas' 2008 elections is woven throughout the PAC-spending data analyzed in a new TPJ report, *Texas PACs: 2008 Cycle Spending*. The plaintiff-lawyer-funded Texas Democratic Trust and Texas Democratic Party spent close to \$6 million *apiece* in the 2008 cycle, increasing their collective spending 211 percent to become the two largest PACs in Texas. Texas' two biggest *new* PACs, First Tuesday and Blue Texas, spent more than \$900,000 *apiece* promoting Democrats. The cycle's two fastest-growing PACs also benefited Democrats. ActBlue Texas PAC spent more than \$800,000 after increasing its spending almost 18,000 percent. The Gay and Lesbian Victory Fund surpassed \$300,000 in spending, a 2,501 percent increase.

Republicans also benefited from major PACs in each of these categories. The Republican Party and GOP-leaning Texans for Lawsuit Reform collectively spent \$8.7 million, ranking as the state's No. 3 and No. 4 PACs. New PACs Empower Texas and Twenty-One PAC spent heavily to defend GOP hegemony in the legislature. Texas' third fastest-growing PAC, Texas Builds Jobs & Opportunity For Secure Future, made a vain attempt to keep Speaker Craddick in power. In each of these categories, however, Democratic-leaning PACs outspent their GOP-friendly competitors. In addition, PACs that hard-line conservative James Leininger bankrolled in the 2006 cycle dominated the report's lists of 2008 PACs that shrunk the fastest—or vanished altogether.

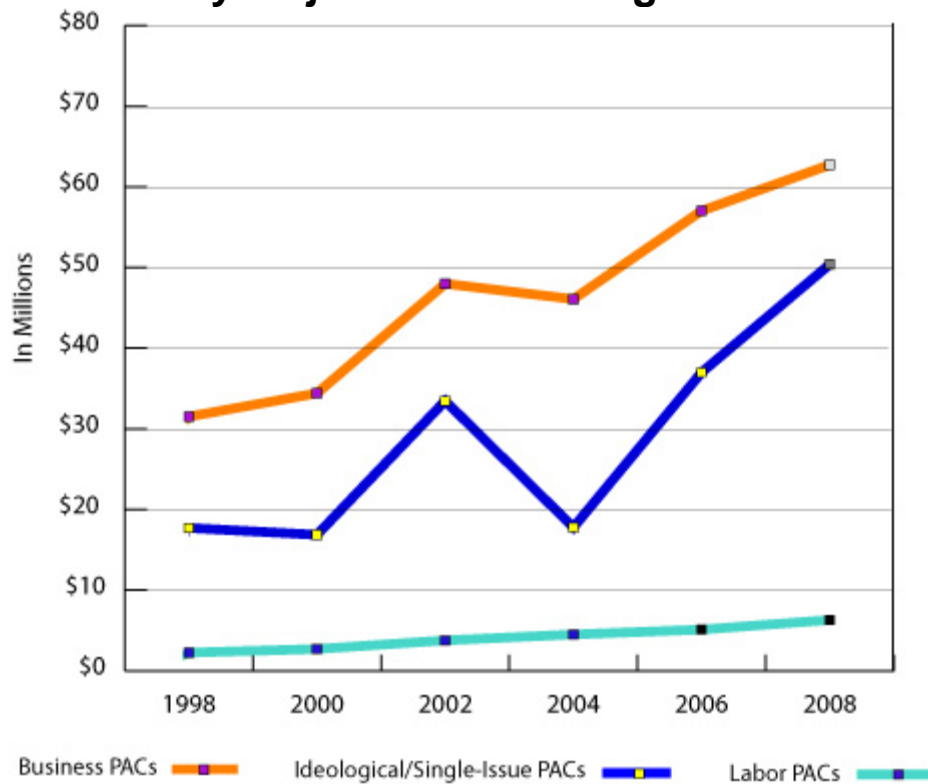
Although Ideological and Single-Issue PACs led the dramatic increase in 2008 PAC spending, they accounted for a smaller share of total PAC spending (42 percent) than Business PACs (52 percent). Five Business sectors spent more than \$6 million *apiece*: Lawyers & Lobbyists (9 percent of all PAC spending), Energy & Natural Resources (8 percent), Real Estate (8 percent), Health (6 percent) and Construction (6 percent). In contrast, Labor PACs accounted for just 5 percent of all PAC spending.

Texas PACs ranks the 200 biggest PACs in Texas and classifies PACs by their economic and ideological interests. Texas' 50 largest PACs—which spent more than \$400,000 *apiece*—accounted for 55 percent of the \$120 million that 1,209 active PACs spent in the 2008 cycle.

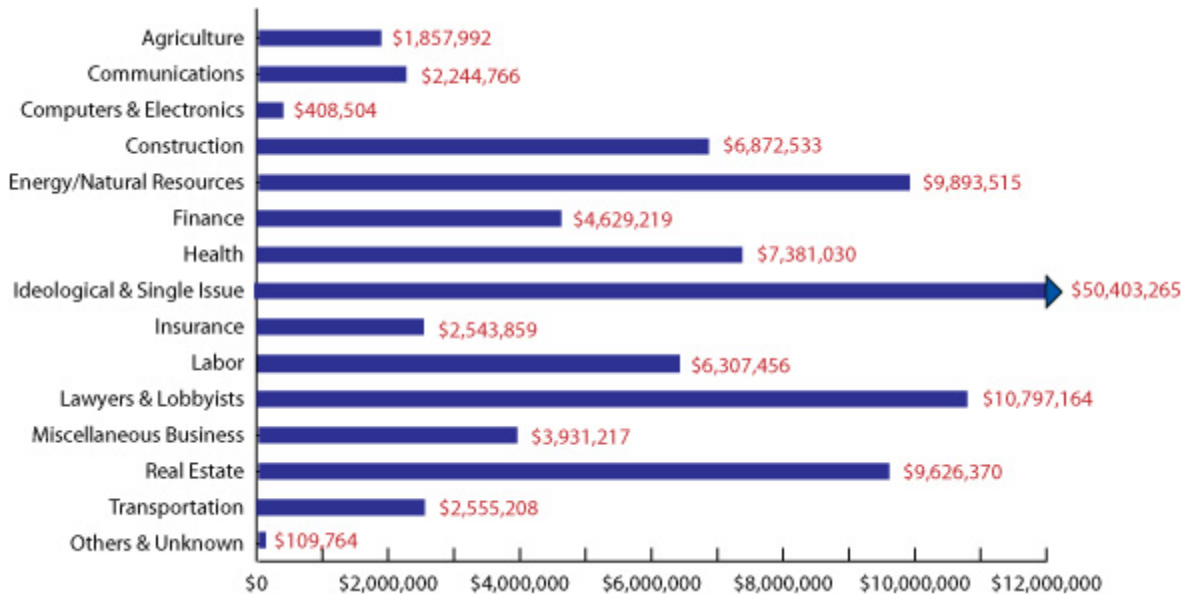
PAC Spending Spikes In Gubernatorial Election Years



2008 Texas PAC Expenditures By Major-Interest Categories



2008 Texas PAC Expenditures By Detailed-Interest Categories



A separate section of the report analyzes 19 so-called specific-purpose PACs that spent an additional \$2.3 million. Nine of these PACs spent \$1.8 million (69 percent of the total) to influence some of the proposed constitutional amendments that voters approved in 2007. A Realtor-backed PAC spent \$828,366 to exempt personal vehicles from state value-added taxes. Six PACs spent \$730,725 on a proposition to issue up to \$3 billion in state bonds for cancer research (opponents spent just \$2,479). A highway contractor PAC spent \$122,731 promoting \$5 billion in road bonds. Gubernatorial appointees funded a PAC that spent \$107,815 to help pass \$1 billion in bonds for 11 state agencies.

The largest specific-purpose PAC unrelated to constitutional amendments spent \$193,525 to defend Rep. Terri Hodge, who faces charges of taking bribes to promote a low-income housing developer. An ideological specific-purpose PAC, Texans for Honesty, spent \$139,167. It struggled to link Democrats who took money from the late trial lawyer Fred Baron to Baron's financial support of Rielle Hunter—the mistress of presidential candidate John Edwards. The largest funder of Texans for Honesty PAC, Houston homebuilder Bob Perry, also was the top funder of Swift Boat Veterans for Truth.

Marketing political disclosure to a wider audience, the report contains a **nude** photo of cyclist Lance Armstrong and a reprint of a tabloid centerfold that ran under the banner: “**Edwards With Love Child.**” The new report, based on PAC disclosure reports filed with the Texas Ethics Commission, is available at <http://www.tpj.org>.

Texans for Public Justice is a non-partisan, non-profit policy & research organization that tracks money in Texas politics.

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