

SUBJECT: Higher compensation or reimbursement categories for registered lobbyists

COMMITTEE: Elections — favorable, without amendment

VOTE: 7 ayes — Berman, Bohac, Anchia, Burnam, England, Farias, C. Howard
0 nays

WITNESSES: For — Craig McDonald, Texans for Public Justice; (*Registered, but did not testify*: Ken Bailey, Texas Democratic Party; Jack Gullahorn, Professional Advocacy Association of Texas; Teri Sperry, True Courage Action Network)

Against — None

On — Natalia Luna Ashley, Texas Ethics Commission

BACKGROUND: Government Code, ch. 305 regulates the registration of lobbyists. Sec. 305.005 requires lobbyists annually to file a written registration and pay a registration fee. The registration must contain identification and contact information for the registrant and anyone who pays or employs the registrant to lobby the executive branch or the Legislature. It also must disclose the amount of compensation or reimbursement paid to the registrant for lobbying activities.

Compensation or reimbursement is reportable in the following categories, unless the exact amount is reported:

- less than \$10,000;
- at least \$10,000 but less than \$25,000;
- at least \$25,000 but less than \$50,000;
- at least \$50,000 but less than \$100,000;
- at least \$100,000 but less than \$150,000;
- at least \$150,000 but less than \$200,000; and
- \$200,000 or more.

DIGEST: HB 2489 would amend Government Code, sec. 305.005 by adding categories of compensation to be reported. Unless reporting an exact

amount, registrants would be required to report compensation or reimbursement of:

- at least \$200,000 but less than \$250,000;
- at least \$250,000 but less than \$300,000;
- at least \$300,000 but less than \$350,000;
- at least \$350,000 but less than \$400,000;
- at least \$400,000 but less than \$450,000;
- at least \$450,000 but less than \$500,000; and
- \$500,000 or more.

The bill would take effect September 1, 2007, and would apply only to a registration or renewal filed on or after that date.

**SUPPORTERS
SAY:**

HB 2489 would require lobbyists to more accurately and completely disclose the amount of compensation they receive. Under current compensation reporting requirements, a lobbyist who receives annual compensation greater than \$200,000 from a single client must not disclose how much more than \$200,000 he or she received. The bill would reflect the fact that an increasing number of lobbyists make more than \$200,000 per client by updating and strengthening current reporting law.

Continuing to require categories or amount ranges for reporting would be more appropriate than requiring lobbyists to disclose an exact dollar amount. A large firm that employs many lobbyists serving multiple clients would find it extremely difficult, if not impossible, to determine and report exactly how much compensation it received on behalf of each client.

**OPPONENTS
SAY:**

In the interests of full disclosure, lobbyists should be required to report the exact amount of compensation or reimbursement they receive, rather than an approximate range. This would not place a hardship on large firms because they operate under sophisticated accounting procedures that could accurately report the information.

**OTHER
OPPONENTS
SAY:**

Texas compensation reporting requirements should mirror those in federal law, which require lobbyists to report their compensation, regardless of the amount, to within \$20,000. This would offer more complete disclosure, even for amounts greater than \$500,000, without placing an excessive burden on lobbyists to report exact figures.