

- SUBJECT:** Requirements for lobbyist registration with Ethics Commission
- COMMITTEE:** General Investigating and Ethics — favorable, without amendment
- VOTE:** 6 ayes — Kuempel, Collier, S. Davis, Hunter, Larson, Moody
0 nays
1 absent — C. Turner
- WITNESSES:** For — Jack Gullahorn, Professional Advocacy Association of Texas;
(*Registered, but did not testify:* Jesse Romero, Common Cause Texas;
Todd Jagger)

Against — (*Registered, but did not testify:* Carol Sewell)
- BACKGROUND:** Government Code, sec. 305 governs the registration of lobbyists. Sec. 305.003 establishes when persons must register as a lobbyist with the Texas Ethics Commission and contains two thresholds. Sec. 305.003(a)(1) establishes a threshold relating to expenditures. Sec. 305.003(a)(2) establishes a second threshold, requiring individuals to register if they receive, or are entitled to receive, compensation or reimbursement more than a specified amount, determined by the Ethics commission, to communicate directly with a member of the legislative or executive branch to influence legislation or administrative action. Ethics Commission rule 34.43(a) sets this amount at more than \$1,000 in a calendar quarter.

Under commission rule 34.43(b), individuals are not required to register under Government Code, sec. 305.003(a)(2) if no more than 5 percent of their compensated time during a calendar quarter was spent engaging in lobby activity.

Commission rule 34.3 defines compensation for preparation time. It establishes that compensation received for preparing to communicate directly with members of the legislative or executive branch to influence

legislation or administrative action is included in calculating compensation for purposes of the registration and reporting requirements in Government Code, ch. 305.

DIGEST:

HB 3512 would add a definition relating to lobby communications to Government Code, sec. 305 provisions dealing with who must register as a lobbyist. It would define "communicates directly with a member of the legislative or executive branch to influence legislation or administrative action" to include establishing goodwill with the member for the purpose of later communicating with the member to influence legislation or administrative action.

The bill would establish an hourly threshold for when individuals would have to register as a lobbyist under Government Code, sec. 305.003(a)(2). Individuals would not be required to register if they spent 26 hours or less or another amount of time determined by the commission for which they were compensated or reimbursed during a quarter, including preparatory activity to communicate directly with a member of the legislative or executive branch to influence legislation or administrative action.

If an individual spent more than eight hours in a single day in activity to communicate directly with members of the legislative or executive branch to influence legislation or administrative action, it would be considered as having engaged in the activity for only eight hours that day.

The bill would take effect September 1, 2015, and would apply only to registrations or renewals of registrations required to be filed on or after that date.

SUPPORTERS
SAY:

HB 3512 would make Texas' law governing who has to register as a lobbyist more transparent. Currently, the requirements establishing who must register are found in the statutes and in Ethics Commission rules and advisory opinions. This can be confusing and can make it difficult to determine whether to register. HB 3512 would codify information about one category of the current thresholds that determine who must register as a lobbyist to make it easier to find and understand.

HB 3512 would codify part of the current standard that defines what it means to communicate directly with officials so that a comprehensive definition can be located easily. Because a commission advisory opinion has determined that goodwill conversations count as lobby communications, the bill would include them in the definition.

The bill would translate the confusing standard that makes 5 percent of someone's time spent in certain activities one of the thresholds for registering into an easier-to-understand threshold of 26 hours. This number is derived using a standard 40-hour work week and calculating what would be 5 percent of those hours in one calendar quarter. Because commission rules require preparatory time to count toward the threshold, HB 3512 would include this information in statute.

HB 3512 would make no substantive change to the current standards requiring registration as a lobbyist; instead, it would be limited in scope to codifying some of the thresholds currently scattered in different places. This could result in increased compliance and better understanding of the law.

**OPPONENTS
SAY:**

HB 3512 would codify a standard of 26 hours that perhaps should instead be reevaluated. As one of the thresholds establishing who must register as a lobbyist, the limit should be well thought out so that it would apply only to appropriate individuals.