

BILL ANALYSIS

Senate Research Center
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S.B. 702
By: Bettencourt
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, political subdivisions are not required to report expenditures paid to hire lobbyists or contributions of dues to associations that lobby. Taxpayers and ratepayers examining financial reports of political subdivisions face many different obstacles in attempting to determine the amount of public dollars spent on lobby efforts funded by their local governments.

Under current lobby disclosure law, individual lobbyists bear the responsibility of disclosing their clients as well as a range of compensation they receive. By failing to disclose exact amounts, this requirement inadequately reports the public expenditures by local governments. Furthermore, because some local governments retain individual lobbyists or lobby firms as consultants or legal counsel, it is nearly impossible to distinguish lobby efforts from other services when examining financial records on these expenditures produced by local governments. In this regard, taxpayers might be unable to find information surrounding lobby expenditures by their local governments.

S.B. 702 requires any lobby expenditure by a political subdivision or public institution of higher education (city, county, independent school district, special purpose district, regional mobility authority) to be specifically authorized by the governing body of a subdivision in an open meeting by a majority vote of the governing body as a stand-alone measure. S.B. 702 makes changes to the public disclosure of information related to lobbying and information plainly available to citizens.

S.B. 702 provides that if a political subdivision or entity does not comply with the requirements under the bill, an "interested party" is entitled to appropriate injunctive relief to prevent further activity in violation of components of the bill; an "interested party" means a person who is a taxpayer of the political subdivision or entity covered under the bill or who is served by or receives services from the political subdivision or entity covered under the bill.

As proposed, S.B. 702 amends current law relating to the authorization and reporting of expenditures for lobbying activities by certain political subdivisions and other public entities.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 140, Local Government Code, by adding Section 140.012, as follows:

Sec. 140.012. EXPENDITURES FOR LOBBYING ACTIVITIES. (a) Provides that this section applies only to a political subdivision that imposes a tax, a political subdivision or special district that has the authority to issue bonds, including revenue bonds, a regional mobility authority, a transit authority, a regional tollway authority, a special purpose district, a public institution of higher education, a community college district, a publicly owned utility, and a river authority.

(b) Authorizes a political subdivision or entity described by Subsection (a) to spend money to directly or indirectly influence or attempt to influence the outcome of any legislation pending before the legislature only if the expenditure is authorized by a majority vote of the governing body of the political subdivision or entity in an open meeting of the governing body. Requires the expenditure to be voted on by the governing body as a stand-alone item on the agenda at the meeting.

(c) Requires a political subdivision or entity described by Subsection (a) to report to the Texas Ethics Commission (TEC) and publish on the political subdivision's or entity's Internet website:

(1) the amount of money authorized under Subsection (b) for the purpose of directly or indirectly influencing or attempting to influence the outcome of any legislation pending before the legislature;

(2) the name of any person required to register under Chapter 305 (Registration of Lobbyists), Government Code, retained or employed by the political subdivision or entity for the purpose described by Subdivision (1); and

(3) an electronic copy of any contract for services for the purpose described by Subdivision (1) that is entered into by the political subdivision or entity with each person listed under Subdivision (2).

(d) Requires a political subdivision or entity described by Subsection (a), in addition to the requirements of Subsection (c), to report to TEC and publish on the political subdivision's or entity's Internet website the amount of public money spent for membership fees and dues of any nonprofit state association or organization of similarly situated political subdivisions or entities that directly or indirectly influences or attempts to influence the outcome of any legislation pending before the legislature.

(e) Requires TEC to make available to the public a searchable database on TEC's Internet website containing the reports submitted to TEC under Subsection (c).

(f) Entitles an interested party, if a political subdivision or entity described by Subsection (a) does not comply with the requirements of this section, to appropriate injunctive relief to prevent further activity in violation of this section. Defines "interested party" for purposes of this subsection.

SECTION 2. Effective date: September 1, 2019.