

## **BILL ANALYSIS**

C.S.H.B. 3149  
By: Wilson  
Elections  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

As enacted by the Texas Legislature in 2001, certain provisions of the Government Code that are intended to govern conflicts of interest for registrants under the Lobby Act are patterned after the State Bar of Texas Disciplinary Rule of Professional Conduct, which governs conflicts of interest for attorneys. These provisions, however, have not resulted in clear guidance for lobbyists or for the Texas Ethics Commission, the state agency charged with the Lobby Act's enforcement. CSHB 3149 addresses the ambiguity and vague nature of certain terms of the conflict of interest provisions while preserving the intent and spirit of the law.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

CSHB 3149 amends the Government Code to provide a definition for "client," "matter," "person associated with the registrant," and "other associated person."

The bill prohibits a registrant from representing a client in communicating to influence legislative subject matter or administrative action if the representation of that client is in conflict with another client of the registrant, an employer or concern employing the registrant, or if the representation of the client reasonably appears to be adversely limited by another client of a partner or other person associated with the registrant.

The bill prohibits a registrant from representing a client in communicating to influence legislative subject matter or administrative action if the representation of that client reasonably appears to be adversely limited by the registrant's, employer's or concern's, or the partner's or other associated person's responsibilities to another client or the registrant's, employer's or concern's, or partner's or other associated person's own interests.

The bill authorizes a registrant to represent such clients in cases where the registrant reasonably believes the representation of each client would not be materially affected; the registrant notifies clients in writing within two business days after the registrant becomes aware of a conflict; and within 10 days, the registrant notifies the Texas Ethics Commission of the name and address of each affected client that the registrant notified.

The bill requires the registrant to affirm, under oath, that the registrant has complied with the provisions of this section to the best of the registrant's knowledge.

The bill repeals the provision providing a criminal penalty for violations of provisions related to conflicts of interest.

### **EFFECTIVE DATE**

September 1, 2003.

**COMPARISON OF ORIGINAL TO SUBSTITUTE**

CSHB 3149 modifies the original by adding definitions for “matter” and “other associated person.”