

AN ACT

relating to conflicts of interest involving lobbyists.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Sections 305.028(a), (b), (c), and (f), Government Code, are amended to read as follows:

(a) In this section:

(1) "Client" means a person or entity for which the registrant is registered or is required to be registered.

(2) "Matter" means the subject matters for which a registrant has been reimbursed, retained, or employed by a client to communicate directly with a member of the legislative or executive branch.

(3) "Person associated with the registrant" or "other associated person" means a partner or other person professionally associated with the registrant through a common business entity, other than a client, that reimburses, retains, or employs the registrant.

(b) Except as permitted by Subsection (c), a registrant may not represent a client ~~[opposing parties]~~ in communicating directly with a member of the legislative or executive branch to influence legislative subject matter ~~[the same legislation]~~ or administrative action~~[-~~

~~[(b) Except as permitted by Subsection (c), a registrant may not represent a person in communicating directly with a member of~~

1 ~~the legislative or executive branch to influence legislation or~~  
2 ~~administrative action]~~ if the representation of that client  
3 ~~[person]~~:

4 (1) involves a substantially related matter in which  
5 that client's ~~[person's]~~ interests are materially and directly  
6 adverse to the interests of:

7 (A) another client of the registrant;

8 (B) an employer or concern employing the  
9 registrant; or

10 (C) another client of a ~~[partner or other]~~ person  
11 associated with the registrant; or

12 (2) reasonably appears to be ~~[or potentially be]~~  
13 adversely limited by:

14 (A) the registrant's, the employer's or  
15 concern's, or the ~~[partner's or]~~ other associated person's  
16 responsibilities to another client ~~[or to a third person]~~; or

17 (B) the registrant's, employer's or concern's own  
18 interest, or ~~[partner's or]~~ other associated person's own business  
19 interests.

20 (c) A registrant may represent a client in the circumstances  
21 described in Subsection ~~[(a) or]~~ (b) if:

22 (1) the registrant reasonably believes the  
23 representation of each client will not be materially affected;

24 (2) not later than the second business day after the  
25 date the registrant becomes aware of a ~~[an actual or potential]~~  
26 conflict described by Subsection ~~[(a) or]~~ (b), the registrant  
27 provides written notice, in the manner required by the commission,

1 to each affected [~~or potentially affected~~] client; and

2 (3) not later than the 10th day after the date the  
3 registrant becomes aware of a [~~an actual or potential~~] conflict  
4 described by Subsection [~~(a) or~~] (b), the registrant files with the  
5 commission a statement that:

6 (A) indicates [~~indicating~~] that there is a [~~an~~  
7 ~~actual or potential~~] conflict;

8 (B) states [~~and~~] that the registrant has notified  
9 each affected [~~or potentially affected~~] client as required by  
10 Subdivision (2); and

11 (C) states the name and address of each affected  
12 client.

13 (f) In each report filed with the commission, a registrant  
14 shall, under oath, affirm that the registrant has, to the best of  
15 the registrant's knowledge, complied with this section.

16 SECTION 2. Section 305.031(c), Government Code, is  
17 repealed.

18 SECTION 3. Section 305.028, Government Code, as amended by  
19 this Act, applies only to a conflict of interest that arises on or  
20 after September 1, 2003. A conflict of interest that arises before  
21 September 1, 2003, is covered by the law in effect when the conflict  
22 arose, and the former law is continued in effect for that purpose.

23 SECTION 4. This Act takes effect September 1, 2003.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 3149 was passed by the House on April 25, 2003, by a non-record vote; and that the House concurred in Senate amendments to H.B. No. 3149 on May 21, 2003, by a non-record vote.

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Chief Clerk of the House

I certify that H.B. No. 3149 was passed by the Senate, with amendments, on May 13, 2003, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor