

## **BILL ANALYSIS**

C.S.H.B. 2202  
By: Hughes  
Elections  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Under current law, provisions relating to registered lobbyists prohibit these individuals from representing multiple clients, if a conflict of interest exists and if the lobbyist believes that the clients' representation would be materially affected by the existence of the conflict. Even if the clients are aware of the conflict and consent to continued representation, the lobbyist must still discontinue representation of one of the clients. There is no provision in law for obtaining the permission of each client to continue representation. Similar to an existing provision for attorneys in the Texas Disciplinary Rules of Professional Conduct, CSHB 2202 would allow lobbyists to continue representation if both of the affected clients consented.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Ethics Commission in SECTION 1 (Sec. 305.028, Government Code) of this bill.

### **ANALYSIS**

CSHB 2202 amends the Government Code by providing an exception to the provision prohibiting registered lobbyists (registrants) from representing a client if a conflict of interest exists between that client and another client or the registrant's employer. The bill authorizes a registered lobbyist to represent such a client if:

- the registrant provides written notice to each affected client of the conflict and files the required statement with the Ethics Commission regarding the conflict; and
- after receiving the written notice, each affected client consents to the conflict and grants the registrant permission to continue representation.

The bill authorizes the Texas Ethics Commission to adopt rules to implement these provisions that are consistent with other provisions relating to the registration of lobbyists, the Texas Disciplinary Rules of Professional Conduct, and the common law of agency.

The bill repeals provisions relating to restrictions on a registrant's conduct when a conflict of interest exists.

### **EFFECTIVE DATE**

September 1, 2005.

### **COMPARISON OF ORIGINAL TO SUBSTITUTE**

The substitute modifies the original by deleting the language repealing definitions of "client", "matter", and "person associated with registrant" from provisions relating to the registration of lobbyists in the Government Code. In the substitute, these definitions are not repealed.