By: Anchia, Kolkhorst

H.B. No. 3445

	A BILL TO BE ENTITLED
1	AN ACT
2	relating to requirements governing registration and authorized
3	activities of certain lobbyists.
4	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
5	SECTION 1. Subchapter A, Chapter 305, Government Code, is
6	amended by adding Section 305.0041 to read as follows:
7	Sec. 305.0041. EXCEPTIONS FOR CERTAIN ACTIVITIES FOR WHICH
8	COMPENSATION OR REIMBURSEMENT IS RECEIVED. (a) A person is not
9	required to register under this chapter in accordance with Section
10	305.003(a)(2) solely because the person receives or is entitled to
11	receive compensation or reimbursement to:
12	(1) communicate to a member of the executive branch
13	concerning state agency purchasing decisions involving a product,
14	or negotiations regarding such decisions, if the compensation for
15	the communication is not totally or partially contingent on the
16	outcome of any administrative action;
17	(2) communicate as a member of an advisory committee
18	or task force if the person is appointed to serve in that capacity
19	by a member of the legislative or executive branch; or
20	(3) communicate as a member of a board, task force, or
21	advisory committee on which a member of the legislative or
22	executive branch also serves.
23	(b) A registrant who performs an activity described by
24	Subsection (a) is not required to:

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1 (1) provide information concerning that activity in 2 the registrant's registration statement under Section 3 305.005(f)(4) or (5)(B); 4 (2) provide information concerning the person who 5 reimburses, retains, or employs the registrant to perform that activity under Section 305.005(f)(3) or (6) unless the registrant 6 7 performs, on behalf of that person, other activities that require registration <u>under this chapter; or</u> 8 9 (3) provide information concerning a person employed or retained by the registrant for the purpose of assisting in that 10 activity under Section 305.005(f)(5)(A) unless the person is also 11 12 employed or retained by the registrant to assist with other activities that require registration under this chapter. 13 14 SECTION 2. Section 305.022, Government Code, is amended by 15 amending Subsection (c) and adding Subsections (c-1), (c-2), and

16 (e) to read as follows:

17 (c) For purposes of this <u>chapter</u> [section], a sales 18 commission payable to an employee of a vendor of a product is not 19 considered compensation contingent on the outcome of 20 administrative action.

21 (c-1) For purposes of this chapter, a sales commission 22 payable to an independent contractor of a vendor of a product is not 23 considered compensation contingent on the outcome of an 24 administrative action if the independent contractor is a registrant 25 who reports the vendor as a client under this chapter and reports 26 the full amount of the contingent fee in the manner required by 27 commission rule.

H.B. No. 3445 (c-2) If the amount of contingent compensation is not known 1 at the time of the disclosure required under Subsection (c-1), the 2 3 registrant must disclose: 4 (1) a reasonable estimate of the amount of the 5 contingent compensation; and 6 (2) the method under which the contingent 7 compensation will be computed. 8 (e) For purposes of this chapter, the term "product" means goods acquired for direct consumption or use by the agency in the 9 day-to-day support of the agency's administrative operations, such 10 as office supplies and equipment, and does not include services or 11 12 the selection of a service provider. SECTION 3. Section 403.1067(b), Government Code, is amended 13 14 to read as follows: 15 (b) Except as provided by this subsection, the [The] persons or entities described by Subsection (a) are not eligible to receive 16 17 the money or participate either directly or indirectly in the contracts, funds, or grants awarded in Section 403.105, 403.1055, 18 19 403.106, 403.1065, or 403.1066. <u>A registrant under Chapter 305 is</u> not ineligible under this subsection if the person is required to 20 register under that chapter solely because the person communicates 21 directly with a member of the executive branch to influence 22 administrative action concerning a matter relating to the purchase 23 24 of products by a state agency. SECTION 4. Section 161.301, Health and Safety Code, is 25

26 amended by amending Subsection (d) and adding Subsection (f) to 27 read as follows:

1 (d) The commissioner may not award a contract under 2 Subsection (b) to:

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3 (1) a person or entity that is required to register
4 with the Texas Ethics Commission under Chapter 305, Government
5 Code, except as provided by Subsection (f);

6 (2) any partner, employee, employer, relative, 7 contractor, consultant, or related entity of a person or entity 8 described by Subdivision (1) <u>and not described by Subsection (f)</u>; 9 or

10 (3) a person or entity who has been hired to represent 11 associations or other entities for the purpose of affecting the 12 outcome of legislation, agency rules, or other government policies 13 through grassroots or media campaigns.

14 (f) A registrant under Chapter 305, Government Code, is not 15 ineligible under Subsections (d) and (e) if the person is required 16 to register under that chapter solely because the person 17 communicates directly with a member of the executive branch to 18 influence administrative action concerning a matter relating to the 19 purchase of products by a state agency.

20 SECTION 5. A person who is required to register under 21 Chapter 305, Government Code, solely as a result of the change in 22 law made by this Act is not required to register under that chapter 23 before January 1, 2010.

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SECTION 6. This Act takes effect September 1, 2009.