

BILL ANALYSIS

Senate Research Center
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S.B. 445
By: Burton
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

According to the Texas Ethics Commission (TEC), political subdivisions spent an estimated \$16 million on lobbyist compensation in 2015. 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 impossible to distinguish lobby efforts from other services when examining financial records on these expenditures produced by local governments.

In this regard, taxpayers are unable to find information surrounding lobby expenditures by their local governments.

S.B. 445 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. It requires that public disclosure be placed on the subdivision's Internet website containing the exact amount spent on lobbying efforts, and the firm or lobbyists hired. It requires political subdivisions to report to TEC the exact amount spent on lobbying efforts, the names of the lobbyists or firms hired, and the contract used to retain the lobbyist or firm that is hired. It mandates that this requirement applies to payments of public funds made as dues to organizations of similarly situated entities that lobby.

This legislation will greatly increase information citizens possess regarding the lobbying efforts of their local governments. Local control and accountability depend on the ability of citizens to be informed. S.B. 445 ensures that this information is plainly available to citizens.

Supporters of this bill assert citizens' absolute right to be informed regarding the use of their tax dollars.

Opponents of this bill cite the hesitancy lobbyists might have toward disclosing their fees charged to local government on the grounds that such information constitutes a proprietary and confidential business practice.

As proposed, S.B. 445 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 certain political subdivisions and entities.

(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 subdivision's or entity's Internet website the amount of money authorized for the purpose of directly or indirectly influencing or attempting to influence the outcome of any pending legislation; the name of any person required to register under Chapter 305 (Registration of Lobbyists), Government Code, retained or employed by the subdivision or entity; and an electronic copy of any contract for services entered into by the subdivision or entity with each listed person.

(d) Requires a political subdivision or entity, in addition to the requirements of Subsection (c), to report to TEC and publish on the 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 an online searchable database on TEC's Internet website containing the reports submitted to TEC under Subsection (c).

(f) Provides that if any political subdivision or entity does not comply with the requirements of this section, an interested party is entitled to appropriate injunctive relief to prevent any further activity in violation of this section. Defines "interested party."

SECTION 2. Effective date: September 1, 2017.