

## **BILL ANALYSIS**

C.S.S.B. 29  
By: Hall  
State Affairs  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

There are concerns that the use of public money by political subdivisions for lobbying activities relating to elections and taxes is an improper use of taxpayer funds and that there is a general lack of transparency regarding public spending on lobbying activities. C.S.S.B. 29 seeks to address these concerns by prohibiting the use of public money by certain political subdivisions for specific lobbying activities and requiring the disclosure of amounts spent by these political subdivisions on lobbying activities.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **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**

C.S.S.B. 29 transfers from the Local Government Code to the Government Code provisions relating to restrictions on the lobbying activities of an association or organization to which a county commissioners court pays membership fees and dues. The bill amends those Government Code provisions to make the conditions on a county commissioners court's authority to spend money for membership fees and dues of a nonprofit state association of counties applicable to the expenditure of money by the governing body of a political subdivision that imposes a tax or of a regional mobility authority, toll road authority, or transit authority for membership fees and dues of a nonprofit state association or organization of similarly situated political subdivisions. Those conditions include, among others, the condition that the association not be affiliated with a labor organization and the condition that the association and its employees not engage in certain lobbying activities.

C.S.S.B. 29 prohibits the governing body of such a political subdivision or authority from spending public money to lobby on pending legislation related to taxation, including the implementation, rates, and administration of taxes, bond elections, tax-supported debt, and ethics and transparency of public servants. This prohibition expressly does not prevent the following activity:

- an officer or employee of a political subdivision from providing information for a member of the legislature or appearing before a legislative committee at the request of the committee or the member;
- an elected officer of a political subdivision from advocating for or against or otherwise lobbying on pending legislation while acting as an officer of the political subdivision; or

- an employee of a political subdivision from advocating for or against or otherwise influencing or attempting to influence the outcome of legislation pending before the legislature if those actions would not require a person to register under statutory provisions relating to lobbyist registration.

C.S.S.B. 29 revises the conditions under which the governing body of a political subdivision may spend money for membership fees and dues to certain nonprofit state associations or organizations of similarly situated political subdivisions in the following ways:

- by including the condition that a person acting on behalf of the association or organization does not lobby on certain pending legislation;
- by specifying the condition that the pending legislation on which an applicable group or person does not lobby is legislation related to taxation, bond elections, tax-supported debt, and ethics and transparency of public service; and
- by providing that the association or organization, rather than the association or an employee, may not contribute a thing of value to a political campaign or endorse one or more candidates for public office.

C.S.S.B. 29 expands the entitlement of a taxpayer of a political subdivision that pays fees or dues to an association or organization that engages in certain lobbying activity and is supported wholly or partly by payment of tax receipts to appropriate injunctive relief to prevent any further such lobbying activity by the association or organization or any further payments of fees or dues by extending that entitlement to appropriate injunctive relief to prevent any further prohibited activity and by extending the entitlements to a resident of such a political subdivision. The bill entitles a taxpayer or resident who prevails in an action for such injunctive relief to recover from the political subdivision the taxpayer's or resident's reasonable attorney's fees and costs incurred in bringing the action.

C.S.S.B. 29 amends the Local Government Code to require a political subdivision that imposes a tax, a regional mobility authority, a toll road authority, or a transit authority, if the political subdivision or authority uses any public money for certain lobbying activities, to disclose on any comprehensive annual financial report required to be prepared by the political subdivision or authority the total amount spent during the fiscal year to compensate persons required to register as a lobbyist to influence the outcome of legislation. This provision expressly does not require a political subdivision or authority to prepare a separate comprehensive annual financial report for such disclosures.

C.S.S.B. 29 makes a contract term providing for an expenditure or payment prohibited by the bill void on the bill's effective date for being counter to public policy.

**EFFECTIVE DATE**

September 1, 2019.

**COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE**

While C.S.S.B. 29 may differ from the engrossed in minor or nonsubstantive ways, the following summarizes the substantial differences between the engrossed and committee substitute versions of the bill.

The substitute specifies that the bill applies to a political subdivision that imposes a tax, instead of any political subdivision.

The substitute does not include a prohibition against providing compensation in any manner to an association or organization that does not meet the requirements for receipt of money.

The substitute revises the conditions under which the governing body of a political subdivision may spend, in the name of the political subdivision, money for membership fees and dues to an association or organization:

- by specifying that such an organization must be an organization of similarly situated political subdivisions;
- by including the condition that a person acting on behalf of the association or organization does not lobby on certain pending legislation;
- by specifying that the pending legislation on which an applicable group or person does not lobby is legislation related to taxation, including the implementation, rates, and administration of taxes, bond elections, tax-supported debt, and ethics and transparency of public service; and
- by removing a provision specifying that an applicable person is not prevented from providing information for a member of the legislature or appearing before a legislative committee at the request of the member or committee.

The substitute includes a provision requiring a political subdivision or authority that uses any public money to influence or attempt to influence the outcome of any pending legislation to disclose amounts spent to compensate persons required to register as a lobbyist on any comprehensive annual financial report.

The substitute voids a contract term that provides for a payment or expenditure prohibited by the bill on its effective date as counter to public policy.