

By: Bettencourt

S.B. No. 703

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the reporting by local governmental entities of  
3 expenditures for lobbying; providing a civil penalty.

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

5 SECTION 1. Section 571.061(a), Government Code, is amended  
6 to read as follows:

7 (a) The commission shall administer and enforce:

8 (1) Chapters 302, 303, 305, 572, and 2004;

9 (1-a) Chapter 139, Local Government Code;

10 (2) Subchapter C, Chapter 159, Local Government Code,  
11 in connection with a county judicial officer, as defined by Section  
12 159.051, Local Government Code, who elects to file a financial  
13 statement with the commission;

14 (3) Title 15, Election Code; and

15 (4) Sections 2152.064 and 2155.003.

16 SECTION 2. Section 571.073, Government Code, is amended to  
17 read as follows:

18 Sec. 571.073. REPORT. On or before December 31 of each  
19 even-numbered year, the commission shall report to the governor and  
20 legislature. The report must include:

21 (1) each advisory opinion issued by the commission  
22 under Subchapter D in the preceding two years;

23 (2) a summary of commission activities in the  
24 preceding two years, including:

1 (A) the number of sworn complaints filed with the  
2 commission;

3 (B) the number of sworn complaints dismissed for  
4 noncompliance with statutory form requirements;

5 (C) the number of sworn complaints dismissed for  
6 lack of jurisdiction;

7 (D) the number of sworn complaints dismissed  
8 after a finding of no credible evidence of a violation;

9 (E) the number of sworn complaints dismissed  
10 after a finding of a lack of sufficient evidence to determine  
11 whether a violation within the jurisdiction of the commission has  
12 occurred;

13 (F) the number of sworn complaints resolved by  
14 the commission through an agreed order;

15 (G) the number of sworn complaints in which the  
16 commission issued an order finding a violation and the resulting  
17 penalties, if any; and

18 (H) the number and amount of civil penalties  
19 imposed for failure to timely file a statement or report, the number  
20 and amount of those civil penalties fully paid, the number and  
21 amount of those civil penalties partially paid, and the number and  
22 amount of those civil penalties no part of which has been paid, for  
23 each of the following category of statements and reports, listed  
24 separately:

25 (i) financial statements required to be  
26 filed under Chapter 572;

27 (ii) political contribution and

1 expenditure reports required to be filed under Section 254.063,  
2 254.093, 254.123, 254.153, or 254.157, Election Code;

3 (iii) political contribution and  
4 expenditure reports required to be filed under Section 254.064(b),  
5 254.124(b), or 254.154(b), Election Code;

6 (iv) political contribution and  
7 expenditure reports required to be filed under Section 254.064(c),  
8 254.124(c), or 254.154(c), Election Code;

9 (v) political contribution and expenditure  
10 reports required to be filed under Section 254.038 or 254.039,  
11 Election Code; ~~and~~

12 (vi) political contribution and  
13 expenditure reports required to be filed under Section 254.0391,  
14 Election Code; and

15 (vii) statements of expenditures for  
16 lobbying by a local governmental entity required to be filed under  
17 Chapter 139, Local Government Code; and

18 (3) recommendations for any necessary statutory  
19 changes.

20 SECTION 3. Section 571.091(a), Government Code, is amended  
21 to read as follows:

22 (a) The commission shall prepare a written opinion  
23 answering the request of a person subject to any of the following  
24 laws for an opinion about the application of any of these laws to  
25 the person in regard to a specified existing or hypothetical  
26 factual situation:

27 (1) Chapter 302;

- 1 (2) Chapter 303;
- 2 (3) Chapter 305;
- 3 (4) Chapter 2004;
- 4 (5) Chapter 572;
- 5 (5-a) Chapter 139, Local Government Code;
- 6 (6) Subchapter C, Chapter 159, Local Government Code,
- 7 as provided by Section 571.061(a)(2);
- 8 (7) Title 15, Election Code;
- 9 (8) Chapter 36, Penal Code;
- 10 (9) Chapter 39, Penal Code;
- 11 (10) Section 2152.064; or
- 12 (11) Section 2155.003.

13 SECTION 4. Subtitle C, Title 4, Local Government Code, is  
14 amended by adding Chapter 139 to read as follows:

15 CHAPTER 139. REPORTING OF EXPENDITURES FOR LOBBYING BY LOCAL  
16 GOVERNMENTAL ENTITIES

17 Sec. 139.001. DEFINITIONS. In this chapter:

- 18 (1) "Commission" means the Texas Ethics Commission.
- 19 (2) "Lobbying" means communicating directly with a  
20 member of the legislative or executive branch for the purpose of  
21 influencing legislative action on behalf of a person by whom an  
22 individual is compensated or reimbursed.
- 23 (3) "Local governmental entity" means a county,  
24 municipality, school district, or hospital district. The term does  
25 not include a junior college district.

26 Sec. 139.002. STATEMENT OF EXPENDITURES FOR LOBBYING. (a)  
27 In accordance with Subsection (b), the governing body of a local

1 governmental entity shall file with the commission a statement that  
2 clearly and concisely shows the local governmental entity's total  
3 expenditures for lobbying activities during the period covered by  
4 the statement, including:

5 (1) the full name, business name, and business address  
6 of each person required to register under Chapter 305, Government  
7 Code, with whom the local governmental entity has contracted to  
8 perform lobbying activities; and

9 (2) the total contract amount paid to each person  
10 required to register under Chapter 305, Government Code, for  
11 lobbying activities on behalf of the local governmental entity.

12 (b) A local governmental entity shall file two statements  
13 each odd-numbered year as follows:

14 (1) the first statement shall be filed not later than  
15 January 15 of each odd-numbered year and cover the period beginning  
16 July 1 of the preceding odd-numbered year and ending December 31 of  
17 the preceding even-numbered year; and

18 (2) the second statement shall be filed not later than  
19 July 31 of each odd-numbered year and cover the period beginning  
20 January 1 and ending June 30 of the year in which the statement is  
21 filed.

22 (c) A local governmental entity shall post each statement  
23 filed under this section on an easily accessible page on the  
24 entity's Internet website.

25 Sec. 139.003. TIMELINESS OF FILING. (a) The deadline for  
26 filing a statement of expenditures for lobbying required by Section  
27 139.002 is 5 p.m. of the last day designated in the applicable

1 provision for filing the statement.

2 (b) If the last day for filing the statement of expenditures  
3 for lobbying is a Saturday, Sunday, or holiday included under  
4 Subchapter B, Chapter 662, the statement is timely if filed on the  
5 next day that is not a Saturday, Sunday, or listed holiday.

6 (c) A statement of expenditures for lobbying is timely filed  
7 if it is properly addressed and placed in the United States Postal  
8 Service or in the hands of a common or contract carrier not later  
9 than the last day for filing the statement. The post office  
10 cancellation mark or the receipt mark of a common or contract  
11 carrier is prima facie evidence of the date the statement was  
12 deposited with the postal service or carrier. The local  
13 governmental entity filing the statement may show by competent  
14 evidence that the actual date of posting was different from that  
15 shown by the marks.

16 Sec. 139.004. CIVIL PENALTY. (a) The commission shall  
17 determine from any available evidence whether a statement of  
18 expenditures for lobbying required to be filed under Section  
19 139.002 is late. On making a determination that the statement is  
20 late, the commission shall immediately mail a notice of the  
21 determination to the governing body of the local governmental  
22 entity responsible for filing the statement and to the appropriate  
23 attorney for the state.

24 (b) If a statement is determined to be late, the local  
25 governmental entity is liable to the state for a civil penalty of  
26 \$500. If a statement is more than 30 days late, the commission  
27 shall issue a warning of liability by registered mail to the

1 governing body of the local governmental entity responsible for the  
2 filing. If the penalty is not paid before the 10th day after the  
3 date on which the warning is received, the local governmental  
4 entity is liable for a civil penalty in an amount determined by  
5 commission rule, but not to exceed \$10,000.

6 Sec. 139.005. RULES. The commission shall adopt rules  
7 necessary to implement this chapter, including rules prescribing  
8 the form of a statement of expenditures for lobbying required by  
9 Section 139.002.

10 SECTION 5. (a) Not later than December 1, 2019, the Texas  
11 Ethics Commission shall adopt rules required by Section 139.005,  
12 Local Government Code, as added by this Act.

13 (b) Notwithstanding Section 139.002, Local Government Code,  
14 as added by this Act, the initial statement of expenditures for  
15 lobbying activities required to be filed by that section on January  
16 15, 2021, must cover the period beginning January 1, 2020, and  
17 ending December 31, 2020.

18 SECTION 6. This Act takes effect immediately if it receives  
19 a vote of two-thirds of all the members elected to each house, as  
20 provided by Section 39, Article III, Texas Constitution. If this  
21 Act does not receive the vote necessary for immediate effect, this  
22 Act takes effect September 1, 2019.