

BILL ANALYSIS

Senate Research Center
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S.B. 366
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Registered lobbyists who make at least \$1,000 in lobby expenditures must file monthly activity reports with the Texas Ethics Commission. These reports show the aggregate amount spent in a given month in various categories, like food and beverage expenditures, for example. Currently, if a registered lobbyist makes an expenditure on transportation, lodging, food, drink, or entertainment for a member of the legislative or executive branch that exceeds 60 percent of the legislative per diem, then the lobbyist must include more detailed information in his or her report, including the name of the legislative or executive branch member who benefited from the expenditure. Lobbyists sometimes avoid these more detailed reporting requirements by collaborating with other lobbyists to make a series of smaller payments that fall below the detailed reporting threshold. S.B. 366 would improve transparency related to lobby expenditures by reducing the detailed reporting threshold to 30 percent of the legislative per diem; extending required reporting to expenditures made for immediate family members of members of the legislative and executive branch; and preventing groups of lobbyists from avoiding detailed reporting by extending the requirement to shared expenditures that exceed the threshold. S.B. 366 would also require lobbyists to notify a member of the legislative or executive branch when they reach the annual limit for lobbyist expenditures on the legislative or executive branch member.

As proposed, S.B. 366 amends current law relating to the content of detailed reports filed by lobbyists and to monetary limits on expenditures by lobbyists.

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 Section 305.0061, Government Code, by amending Subsections (a), (b), and (c) and adding Subsections (h) and (i), as follows:

(a) Requires the registrant, if a registrant or a person on the registrant's behalf and with the registrant's consent or ratification makes expenditures that exceed 30, rather than 60 percent, of the amount of the legislative per diem in a day for transportation or lodging for a member of the legislative or executive branch or for the immediate family of a member of the legislative or executive branch, to also state certain information on the report filed under Section 305.006 (Activities Report).

(b) Requires the registrant, if a registrant or a person on the registrant's behalf and with the registrant's consent or ratification makes expenditures that exceed 30, rather than 60 percent, of the amount of the legislative per diem in a day for food and beverages for a member of the legislative or executive branch or for the immediate family of a member of the legislative or executive branch or makes expenditures that exceed 30, rather than 60 percent, of the amount of the legislative per diem in a day for entertainment for a member of the legislative or executive branch or for the immediate family of a member of the legislative or executive branch, to state certain information on the report filed under Section 305.006.

(c) Requires the registrant, if a registrant or a person on the registrant's behalf and with the registrant's consent or ratification gives to a member of the legislative or executive branch, or to the immediate family of a member of the legislative or executive branch, a gift or an award or memento, the value of which exceeds \$50 per gift, award, or memento, to state certain information on the report filed under Section 305.006.

(h) Requires each registrant, if more than one registrant or persons acting on behalf of more than one registrant and with each registrant's consent or ratification collaborate to make an expenditure described by Section 305.006(b) (relating to requiring the report to contain total expenditures under a certain category) together, to report the total amount of the shared expenditure as required by Subsection (a) or (b), if the total amount of the shared expenditure exceeds the amount provided under Subsection (a) or (b).

(i) Requires each registrant, if more than one registrant or persons acting on behalf of more than one registrant and with each registrant's consent or ratification collaborate to make an expenditure described by Section 305.006(b) together, to report the total value of the shared expenditure as required by Subsection (c), if the total value of the shared expenditure exceeds the amount provided under Subsection (c).

SECTION 2. Reenacts Section 305.024(a), Government Code, as amended by Chapters 92 (S.B. 1011) and 206 (H.B. 1508), Acts of the 79th Legislature, Regular Session, 2005, and amends it as follows:

(a) Redesignates Paragraphs 2(E) and 2(E) as Subparagraphs E(i) and (ii).

SECTION 3. Amends Section 305.024, Government Code, by adding Subsection (d), to require the registrant to notify a member of the legislative or executive branch when the registrant has reported, as to that member of the legislative or executive branch, expenditures that, in the aggregate, equal the monetary limits for expenditures under Subsection (a)(2).

SECTION 4. Amends Section 305.031(a), Government Code, to provide that a person commits an offense if the person intentionally or knowingly violates a provision of this chapter other than Section 305.022 (Contingent Fees), 305.024(d), or 305.028 (Prohibited Conflicts of Interest).

SECTION 5. Repealer: Section 305.024(c) (relating to authorizing the total value of a joint expenditure to exceed \$500 if each portion of the expenditure meets certain restrictions), Government Code.

SECTION 6. Makes application of this Act prospective.

SECTION 7. Effective date: January 12, 2021.