



MAYES MIDDLETON



STATE REPRESENTATIVE • DISTRICT 23

FOR IMMEDIATE RELEASE
December 12, 2019

Contact: Andrew Herrell
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REP. MIDDLETON SENDS STATEWIDE LETTER CALLING FOR ADHERENCE TO NEW TAXPAYER-FUNDED LOBBYING DISCLOSURE REQUIREMENTS

AUSTIN – This week Representative Middleton’s office sent out letters to every city, county and school district in the state of Texas, requesting they produce the new taxpayer-funded lobbying disclosure requirements, passed under Senate Bill 65 this past session (see attached letter).

Representative Middleton authored the bill in the 86th Legislative Session to end the practice of taxpayer-funded lobbying. “Our tax money is being spent on Austin lobbyists to advocate against the taxpayer and basic good governance,” commented Representative Middleton. He further explained, “for example, in the last legislative session, taxpayer-funded lobbyists opposed property tax relief, disclosures of what bonds truly cost taxpayers, the constitutional ban on a state income tax, election integrity, and they even opposed the bill to fund and protect our teacher’s retirement pensions.”

Unfortunately, the bill banning this practice failed to pass into law when it was defeated by 18 votes on the House floor after passing the Senate. Although the practice was not banned, strict (and retroactive) taxpayer-funded lobbying disclosures were enacted this session.

The House State Affairs Committee and Senate State Affairs Committee have been assigned identical agendas and are going to scrutinize the practice of taxpayer-funded lobbying before next legislative session. Their interim charge reads:

“Study how governmental entities use public funds for political lobbying purposes. Examine what types of governmental entities use public funds for lobbying purposes. Make recommendations to protect taxpayers from paying for lobbyists who may not represent the taxpayers’ interests.”

We must continue to shine the light on this inexcusable waste and abuse of taxpayers’ hard-earned money.

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MAYES MIDDLETON

STATE REPRESENTATIVE • DISTRICT 23

December 2, 2019

Superintendent [REDACTED]

In the 86th Regular Session, the Legislature passed Senate Bill 65 which requires any political subdivision that has ever contracted with a state agency for consulting services to disclose and itemize a number of things related to their lobbying activities, including:

- Contract details such as the execution date, effective date, and length of the contract;
- Cost of the contracts associated with lobby services;
- List of all legislation advocated on, for, or against by all parties or subcontractors the firm hired for lobbying services—including the positions taken on each piece of legislation;
- A copy of the contract used to hire a firm or individual for lobbying services; and
- Disclosure of interested parties for any contracts for services which would require a person to register as a lobbyist.

With the exception of the interested parties' disclosure under Government Code Sec. 2252.908(b), the disclosure requirements under SB 65 are retroactive. This means the disclosure requirements apply to contracts entered into by a political subdivision before, on, or after the effective date of this act, September 1, 2019.

In addition to the required disclosures on your website, I request that you produce to my Capitol Office (at the below address) the disclosures required under Government Code Section 2254.030 for the time period of January 1, 2010 to present day that fall under the requirements of Senate Bill 65.¹ Additionally, I request that you produce to my Capitol Office any disclosures of beneficial interests required under Government Code Section 2252.908(b) from June 14, 2019 to present.²

Sincerely,

A handwritten signature in black ink, appearing to read "Mayes Middleton".

Mayes Middleton,
Texas State Representative
House District 23

¹Sec. 2254.030. REQUIRED DISCLOSURE AND ITEMIZATION OF CERTAIN EXPENDITURES RELATING TO LOBBYING ACTIVITIES AFTER ENTERING INTO A CONSULTING SERVICES CONTRACT. (a) A political subdivision that enters or has entered into a contract for consulting services with a state agency, regardless of whether the term of the contract has expired, shall prominently display on the political subdivision's Internet website the following regarding contracts for services that would require a person to register as a lobbyist under Chapter 305:

- (1) the execution dates;
- (2) the contract duration terms, including any extension options;
- (3) the effective dates;
- (4) the final amount of money the political subdivision paid in the previous fiscal year; and
- (5) a list of all legislation advocated for, on, or against by all parties and subcontractors to the contract, including the position taken on each piece of legislation in the prior fiscal year.

(b) In lieu of displaying the items described by Subsections (a)(1)-(5) regarding a contract for services that would require a person to register as a lobbyist under Chapter 305, a political subdivision may post on the political subdivision's Internet website the contract for those services.

(c) Information required to be displayed on a political subdivision's Internet website under this section is public information subject to disclosure under Chapter 552.

(d) The proposed budget of a political subdivision described by Subsection (a) must include, in a manner allowing for as clear a comparison as practicable between those expenditures in the proposed budget and actual expenditures for the same purpose in the preceding year, a line item indicating expenditures for directly or indirectly influencing or attempting to influence the outcome of legislation or administrative action, as those terms are defined in Section 305.002.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993. Amended by Acts 1997, 75th Leg., ch. 1035, Sec. 10, eff. June 19, 1997; Acts 1999, 76th Leg., ch. 1467, Sec. 1.30, eff. Sept. 1, 1999.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 953 (S.B. 65), Sec. 21(a), eff. September 1, 2019.

² Sec. 2252.908. DISCLOSURE OF INTERESTED PARTIES. (a) In this section:

(1) "Business entity" means any entity recognized by law through which business is conducted, including a sole proprietorship, partnership, or corporation.

(2) "Governmental entity" means a municipality, county, public school district, or special-purpose district or authority.

(3) "Interested party" means a person who has a controlling interest in a business entity with whom a governmental entity or state agency contracts or who actively participates in facilitating the contract or negotiating the terms of the contract, including a broker, intermediary, adviser, or attorney for the business entity.

(4) "State agency" means a board, commission, office, department, or other agency in the executive, judicial, or legislative branch of state government. The term includes an institution of higher education as defined by Section 61.003, Education Code.

(b) This section applies only to a contract of a governmental entity or state agency that:

(1) requires an action or vote by the governing body of the entity or agency before the contract may be signed;

(2) has a value of at least \$1 million; or

(3) is for services that would require a person to register as a lobbyist under

Chapter 305.

(c) Notwithstanding Subsection (b), this section does not apply to:

(1) a sponsored research contract of an institution of higher education;

(2) an interagency contract of a state agency or an institution of higher education;

(3) a contract related to health and human services if:

(A) the value of the contract cannot be determined at the time the contract is executed; and

(B) any qualified vendor is eligible for the contract;

(4) a contract with a publicly traded business entity, including a wholly owned subsidiary of the business entity;

(5) a contract with an electric utility, as that term is defined by Section 31.002, Utilities Code; or

(6) a contract with a gas utility, as that term is defined by Section 121.001, Utilities Code.

(d) A governmental entity or state agency may not enter into a contract described by Subsection (b) with a business entity unless the business entity, in accordance with this section and rules adopted under this section, submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency.

(e) The disclosure of interested parties must be submitted on a form prescribed by the Texas Ethics Commission that includes:

(1) a list of each interested party for the contract of which the contracting business entity is aware; and

(2) a written, unsworn declaration subscribed by the authorized agent of the contracting business entity as true under penalty of perjury that is in substantially the following form:

"My name is _____, my
date of birth is _____, and my address is

_____, _____, _____,
(Street) (City) (State) (Zip Code)

_____. I declare under penalty of
(Country)

perjury that the foregoing is true and correct.

Executed in _____ County, State of _____, on the _____ day of

_____, _____.

(Month) (Year)

Declarant".

(f) Not later than the 30th day after the date the governmental entity or state agency receives a disclosure of interested parties required under this section, the governmental entity or state agency shall submit a copy of the disclosure to the Texas Ethics Commission.

(g) The Texas Ethics Commission shall adopt rules necessary to implement this section, prescribe the disclosure of interested parties form, and post a copy of the form on the commission's Internet website.

Added by Acts 2015, 84th Leg., R.S., Ch. 1024 (H.B. 1295), Sec. 3, eff. September 1, 2015.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 526 (S.B. 255), Sec. 5, eff. September 1, 2017.

Acts 2019, 86th Leg., R.S., Ch. 953 (S.B. 65), Sec. 17, eff. September 1, 2019.

Acts 2019, 86th Leg., R.S., Ch. 1070 (H.B. 1495), Sec. 2, eff. June 14, 2019.