

(c-3) Repealed by Acts 2015, 84th Leg., R.S., Ch. 815, Sec. 2, eff. September 1, 2015.

(d) This section does not prohibit the payment or acceptance of contingent fees:

(1) expressly authorized by other law; or

(2) for legal representation before state administrative agencies in contested hearings or similar adversarial proceedings prescribed by law or administrative rules.

(e) For purposes of this section, the term "employee" means a person employed full-time by an employer to perform services for compensation. The term does not include an independent contractor or consultant.

(f) The provisions of this chapter shall not be applicable to a transaction for the sale, lease, or services provided in connection with the sale or lease of any real properties or real properties interest owned or managed by the permanent school fund or General Land Office.

Sec. 305.023. ADMISSION TO FLOORS. A person who is registered or required to be registered under this chapter may not go on the floor of either house of the legislature while that house is in session unless invited by that house.

Sec. 305.024. RESTRICTIONS ON EXPENDITURES.

[Text of subsection as amended by Acts 2005, 79th Leg., R.S., Ch. 92 (S.B. 1011), Sec. 2]

(a) Except as provided by Section 305.025, a person registered under Section 305.005 or a person on the registrant's behalf and with the registrant's consent or ratification may not offer, confer, or agree to confer:

(1) to an individual described by Section 305.0062(a)(1), (2), (3), (4), or (5):

(A) a loan, including the guarantee or endorsement of a loan; or

(B) a gift of cash or a negotiable instrument as described by Section 3.104, Business & Commerce Code; or

(2) to an individual described by Section 305.0062(a)(1), (2), (3), (4), (5), (6), or (7):

(A) an expenditure for transportation and lodging;

(B) an expenditure or series of expenditures for entertainment that in the aggregate exceed \$500 in a calendar year;

(C) an expenditure or series of expenditures for gifts that in the aggregate exceed \$500 in a calendar year;

(D) an expenditure for an award or memento that exceeds \$500; or

(E) an expenditure described by Section 305.006(b)(1), (2), (3), or (6) unless the registrant is present at the event.

[Text of subsection as amended by Acts 2005, 79th Leg., R.S., Ch. 206 (H.B. 1508), Sec. 5]

(a) Except as provided by Section 305.025, a person registered under Section 305.005 or a person on the registrant's behalf and with the registrant's consent or ratification may not offer, confer, or agree to confer to a member of the legislative or executive branch:

(1) a loan, including the guarantee or endorsement of a loan;

(2) a gift of cash or a negotiable instrument as described by Section 3.104, Business & Commerce Code;

(3) an expenditure for transportation and lodging;

(4) an expenditure or series of expenditures for entertainment that in the aggregate exceed \$500 in a calendar year;

(5) an expenditure or series of expenditures for gifts that in the aggregate exceed \$500 in a calendar year;

(6) an expenditure for an award or memento that exceeds \$500; or

(7) an expenditure described by Section 305.006(b)(1), (2), (3), or (6) unless:

(A) the registrant is present at the event; or

(B) the expenditure is for a gift of food or beverages required to be reported under Section 305.006(b)(4) in accordance with Section 305.0061(e-1).

(b) Except as provided by Section 305.025, a member of the legislative or executive branch may not solicit, accept, or agree to accept from a person registered under Section 305.005 or from a person on the registrant's behalf and with the registrant's consent or ratification an item listed in Subsection (a).

(c) Notwithstanding Subsection (a), the total value of a joint expenditure under Subsection (a)(2)(B), (C), or (D) may exceed \$500 if each portion of the expenditure:

(1) is made by a registrant; and

(2) does not exceed \$500.

Sec. 305.025. EXCEPTIONS. Section 305.024 does not prohibit:

(1) a loan in the due course of business from a corporation or other business entity that is legally engaged in the business of lending money and that has conducted that business continuously for more than one year before the loan is made;

(2) a loan or guarantee of a loan or a gift made or given by a person related within the second degree by affinity or consanguinity to the member of the legislative or executive branch;

(3) necessary expenditures for transportation and lodging when the purpose of the travel is to explore matters directly related to the duties of a member of the legislative or executive branch, such as fact-finding trips, including attendance at informational conferences or an event described by Subdivision (4), but not including attendance at merely ceremonial events or pleasure trips;

(4) necessary expenditures for transportation, lodging, food and beverages, and entertainment provided in connection with a conference, seminar, educational program, or similar event in which the member renders services, such as addressing an audience or engaging in a seminar, to the extent that those services are more than merely perfunctory;

(5) an incidental expenditure for transportation as determined by commission rule; or

(6) a political contribution as defined by Section 251.001, Election Code.

Sec. 305.026. PROHIBITION ON USE OF CERTAIN PUBLIC FUNDS.

(a) Public funds available to a political subdivision may not be used to compensate or reimburse the expenses over \$50 of any person for the purpose of communicating directly with a member of the legislative branch to influence legislation, unless the person being compensated or reimbursed resides in the district of the member with whom the person communicates or files a written statement with the commission that includes the person's name, the amount of compensation or reimbursement, and the name of the affected political subdivision.

(b) In this section, "political subdivision" includes:

(1) a municipality;

(2) a county; and
(3) a special district created under the constitution or laws of this state,
including:

(A) a school district;
(B) a junior college district;
(C) a water district;
(D) a hospital district;
(E) a municipal utility district;
(F) a metropolitan transit authority; and
(G) any other governmental entity that embraces a geographic area within a definite boundary and exists for the purpose of discharging functions of government and possesses authority for subordinate self-government through officers selected by it.

(c) This section does not apply to a person who is registered under this chapter, to a person who holds an elective or appointive public office, or to a full-time employee of the affected political subdivision.

(d) This section does not prohibit a political subdivision from making an expenditure of public funds to a statewide association with a minimum membership of at least 25 percent of eligible political subdivisions that contract with or employ a registrant for the purpose of communicating directly with a member of the legislative branch to influence legislation.

Sec. 305.027. REQUIRED DISCLOSURE ON LEGISLATIVE ADVERTISING.

(a) A person commits an offense if the person knowingly enters into a contract or other agreement to print, publish, or broadcast legislative advertising that does not indicate in the advertising:

(1) that it is legislative advertising;
(2) the full name of the individual who personally entered into the contract or agreement with the printer, publisher, or broadcaster and the name of the person, if any, that the individual represents; and
(3) in the case of advertising that is printed or published, the address of the individual who personally entered into the agreement with the printer or publisher and the address of the person, if any, that the individual represents.

(b) It is an exception to the application of Subsection (a) to a broadcaster, printer, or publisher of legislative advertising or to an agent or employee of the broadcaster, printer, or publisher that:

(1) the person entering into the contract or agreement with the broadcaster, printer, or publisher is not the actual sponsor of the advertising but is the sponsor's professional advertising agent conducting business in this state; or
(2) the advertising is procured by the actual sponsor of the legislative advertising and, before the performance of the contract or agreement, the sponsor is given written notice as provided by Subsection (d).

(c) A professional advertising agent conducting business in this state who seeks to procure the broadcasting, printing, or publication of legislative advertising on behalf of the sponsor of the advertising commits an offense if the agent enters into a contract or agreement for the broadcasting, printing, or publication of legislative advertising and does not, before the performance of the contract or agreement, give the sponsor written notice as provided by Subsection (d).

(d) The notice required by Subsections (b) and (c) must be substantially as follows:

Section 305.027, Government Code, requires legislative advertising to disclose certain information. A person who knowingly enters into a contract or other agreement to print, publish, or broadcast legislative advertising that does not contain the information required under that section commits an offense that is a Class A misdemeanor.

(e) In this section, "legislative advertising" means a communication that supports, opposes, or proposes legislation and that:

(1) in return for consideration, is published in a newspaper, magazine, or other periodical or is broadcast by radio or television; or

(2) appears in a pamphlet, circular, flier, billboard or other sign, bumper sticker, button, or similar form of written communication.

Sec. 305.028. PROHIBITED CONFLICTS OF INTEREST.

(a) In this section:

(1) "Client" means a person or entity for which the registrant is registered or is required to be registered.

(2) "Matter" means the subject matters for which a registrant has been reimbursed, retained, or employed by a client to communicate directly with a member of the legislative or executive branch.

(3) "Person associated with the registrant" or "other associated person" means a partner or other person professionally associated with the registrant through a common business entity, other than a client, that reimburses, retains, or employs the registrant.

(b) Except as permitted by Subsection (c) or (c-1), a registrant may not represent a client in communicating directly with a member of the legislative or executive branch to influence legislative subject matter or administrative action if the representation of that client:

(1) involves a substantially related matter in which that client's interests are materially and directly adverse to the interests of:

(A) another client of the registrant;

(B) an employer or concern employing the registrant; or

(C) another client of a person associated with the registrant; or

(2) reasonably appears to be adversely limited by:

(A) the registrant's, the employer's or concern's, or the other associated person's responsibilities to another client; or

(B) the registrant's, employer's or concern's own interest, or other associated person's own business interests.

(c) A registrant may represent a client in the circumstances described in Subsection (b) if:

(1) the registrant reasonably believes the representation of each client will not be materially affected;

(2) not later than the second business day after the date the registrant becomes aware of a conflict described by Subsection (b), the registrant provides written notice, in the manner required by the commission, to each affected client; and

(3) not later than the 10th day after the date the registrant becomes aware of a conflict described by Subsection (b), the registrant files with the commission a statement that:

(A) indicates that there is a conflict;

(B) states that the registrant has notified each affected client as required by Subdivision (2); and

(C) states the name and address of each affected client.

(c-1) A registrant may represent a client in the circumstances described in Subsection (b) without regard to whether the registrant reasonably believes the representation of each client will be materially affected if:

(1) the registrant provides the written notice to each affected client as described by Subsection (c)(2) and files the statement described by Subsection (c)(3); and

(2) after the registrant has provided the written notice described by Subsection (c)(2), each affected client of the registrant consents to the conflict and grants the registrant permission to continue the representation.

(d) If a registrant has accepted representation in conflict with the restrictions of this section, or if multiple representation properly accepted becomes improper under this section, the registrant shall promptly withdraw from one or more representations to the extent necessary for any remaining representation not to be in conflict with this section.

(e) If a registrant would be prohibited by this section from engaging in particular conduct, an employer or concern employing the registrant or a partner or other person associated with the registrant may not engage in that conduct.

(f) In each report filed with the commission, a registrant shall, under oath, affirm that the registrant has, to the best of the registrant's knowledge, complied with this section.

(g) The commission may receive complaints regarding a violation of this section. If the commission determines a violation of this section has occurred, the commission, after notice and hearing:

(1) shall impose a civil penalty in an amount not to exceed \$2,000; and

(2) may rescind the person's registration and may prohibit the person from registering with the commission for a period not to exceed two years from the date of the rescission of the person's registration.

(h) A penalty under this section is in addition to any other enforcement, criminal, or civil action that the commission or another person may take under this chapter or other law.

(i) Repealed by Acts 2005, 79th Leg., Ch. 218, Sec. 3, eff. September 1, 2005.

(j) A statement filed under Subsection (c) is not public information.

(k) The commission may adopt rules to implement this section consistent with this chapter, the Texas Disciplinary Rules of Professional Conduct, and the common law of agency.

Sec. 305.029. EXPENDITURES FROM POLITICAL CONTRIBUTIONS RESTRICTED.

(a) In this section, "candidate," "political contribution," "political committee," "political expenditure," and "specific-purpose committee" have the meanings assigned by Section 251.001, Election Code.

(b) A registrant, or a person on the registrant's behalf and with the registrant's consent or ratification, may not knowingly make or authorize an expenditure required to be reported under this chapter from a political contribution that was accepted by

(1) the registrant as a candidate or officeholder;

(2) a specific-purpose committee for the purpose of supporting the registrant as a candidate or assisting the registrant as an officeholder; or

(3) a political committee that accepted a political contribution described by Subdivision (1) or (2) during the two-year period immediately before the date the expenditure was made or authorized by the registrant.

(c) This section does not prohibit a person from making a political contribution or political expenditure in support of the person's own candidacy.

SUBCHAPTER C. SANCTIONS

Sec. 305.031. CRIMINAL PENALTIES.

(a) A person commits an offense if the person intentionally or knowingly violates a provision of this chapter other than Section 305.022 or 305.028. An offense under this subsection is a Class A misdemeanor.

(b) A person commits an offense if the person intentionally or knowingly violates Section 305.022. An offense under this subsection is a felony of the third degree.

(c) Repealed by Acts 2003, 78th Leg., ch. 249, Sec. 4.12 and Acts 2003, 78th Leg., ch. 1322, Sec. 2.

(d) This chapter does not affect the criminal responsibility of a person under the state laws relating to perjury.

(e) This section does not prohibit the commission from imposing a civil penalty for a violation.

Sec. 305.032. CIVIL PENALTY FOR FAILURE TO REGISTER. In addition to the criminal penalties prescribed by Section 305.031, a person who receives compensation or reimbursement or makes an expenditure for engaging in direct communication to influence legislation or administrative action and who fails to file a registration form or activities report required to be filed under this chapter shall pay a civil penalty in an amount determined by commission rule, but not to exceed an amount equal to three times the compensation, reimbursement, or expenditure.

Sec. 305.033. CIVIL PENALTY FOR LATE FILING.

(a) The commission shall determine from any available evidence whether a registration or report required to be filed with the commission under this chapter is late. A registration filed without the fee required by Section 305.005 is considered to be late. On making a determination that a required registration or report is late, the commission shall immediately mail a notice of the determination to the person responsible for the filing, to the commission, and to the appropriate attorney for the state.

(b) If a registration or report is determined to be late, the person responsible for the filing is liable to the state for payment of a civil penalty of \$500.

(c) If a registration or report is more than 30 days late, the commission shall issue a warning of liability by registered mail to the person responsible for the filing. If the penalty is not paid before the 10th day after the date on which the warning is received, the person is liable for a penalty in an amount determined by commission rule, but not to exceed \$10,000.

(d) A penalty paid voluntarily under this section shall be deposited in the state treasury to the credit of the General Revenue Fund.

(e) This section is in addition to any other available sanctions for late filings of registrations or reports.

(f) A registration or report other than an activities report filed by a registrant is not considered to be late for purposes of this section if the registrant files a corrected or amended registration or report not later than the 14th business day after the date the registrant becomes aware of the error or omission in the registration or report originally filed.

Sec. 305.034. FAILURE TO FILE ALL REQUIRED FORMS.

(a) The commission shall determine whether all persons registered under this chapter have filed all required forms, statements, and reports.

(b) Whenever the commission determines that a person has failed to file any required form, statement, or report as required by this chapter, the commission shall send a written statement of this finding to the person involved. Notice to the person involved must be sent by certified mail.

(c) If the person fails to file the form, statement, or report as required by this chapter before the 21st day after the date on which the notice was sent, the commission shall file a sworn complaint of the violation with the appropriate prosecuting attorney.

Sec. 305.035. ENFORCEMENT.

(a) The commission, the attorney general, or any county or district attorney may enforce this chapter.

(b) On the application of any citizen of this state, a district court in Travis County may issue an injunction to enforce this chapter.

(c) A person may file with the appropriate prosecuting attorney or with the commission a written, sworn statement alleging a violation of this chapter.

Sec. 305.036. VENUE. An offense under this chapter, including perjury, may be prosecuted in Travis County or in any other county in which it may be prosecuted under the Code of Criminal Procedure, 1965.