

Taxpayer-Funded Lobbying

The Issue

So long as government is large and powerful—taxing, spending, and regulating in ways that can significantly affect the profitability of businesses and personal finance—individuals will be driven to influence lawmaking. Much of this activity is defensive but some is opportunistic, leading to crony corporatism with the government actively encouraged to pick winners and losers. In both cases, private individuals engaged in lobbying activities are exercising their free speech rights, as enshrined in the [First Amendment](#) which states: “the right of the people ... to petition the Government for a redress of grievances.”

Private persons engaged in lobbying write bills, assemble coalitions, and strive to pass or defeat legislation using this freedom. When they work for unions, businesses, or other special interests, they still are exercising their right to free speech. However, when these persons are employed by a governmental entity, the dynamics change. After all, only people have rights. Governments have powers.

Unfortunately, many cities, counties, school districts, and special districts spend public money to hire professional lobbyists to engage in the legislative process. It represents no small amount either. In 2017, local governments spent as much as \$41 million on lobbyists. This figure excludes government employees who may spend some of their time lobbying other parts of government for their agency.

Local government should not spend public money on private lobbyists for many reasons. First, one part of a representative government should not petition another part of government for a “redress of grievances.” A political subdivision may not lay claim to that right.

Second, lobbyists employed with taxpayer money usually advocate for greater spending, more taxing authority, and increased regulatory power. It is unreasonable to force taxpayers to fund lobbying campaigns that go against their interests.

Third, the practice puts individuals at a distinct disadvantage when it comes to getting their representatives’ attention. Lobbyists know how to work the system, while the average Texan does not. Besides, local elected officials have other avenues to elevate their needs and concerns to state lawmakers, like making personal contact or showing up at the Texas Capitol in person. State officials are all highly motivated to listen to the elected members of the local government bodies that they represent.

There is more than one way that taxpayer-funded lobbying occurs, too. Consider two other lesser-known ways.

The first is through public agency associations. These associations are not accountable to voters. Their very nature allows them to insulate the elected officials in their membership from the consequences of promoting higher taxes and bigger government.

These associations often charge membership dues to raise a small portion of their budget. Sometimes members do not spend their own money on these dues—for instance, many members of a professional prosecutors association use civil asset forfeiture funds taken from citizens without benefit of a trial and guilty verdict to pay their dues. The majority of funds raised by these associations typically come from the ad space they sell in their trade association-like magazines to private sector companies seeking government contracts. The ad space is bought, typically at a premium high above what the subscription base would justify, for the purpose of funding the associations’ operations and lobbying efforts. Thus, this money does not directly flow from taxpayers but rather is provided by firms that supply goods and services to government and, as a result, benefit from greater government spending.

The other form of off-the-record lobbying is to assign government employees the task of lobbying state government. This is a common practice in Austin during session when hordes of inter-governmental relations employees can be found on any given day lobbying lawmakers for more power and more taxpayer money.

All of this stirred public passions and prompted state lawmakers to file numerous bills in the 86th Legislature to reform or abolish taxpayer-funded lobbying. While the chief measure ([Senate Bill 29](#)) ultimately failed to pass, the bill advanced far into the legislative process. Strong interest in the bill means that another similar effort will likely emerge in 2021.

In the meantime, some conservative lawmakers are using the interim period to leverage a new law—added as an [amendment to Senate Bill 65](#)—to ask “[every city, county and school district in Texas](#)” 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 extension date, effective date, 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 that would require a person to register as a lobbyist.

The disclosure of this information could provide additional ammunition next session in the push to end taxpayer-funded lobbying.

The Facts

- Up to \$41 million was spent by local government in 2017 to hire outside lobbyists to lobby state government.
- In addition, hundreds of local government employees descend on the Texas Capitol every session to lobby for more power and money for local government—these people do not register as lobbyists.
- Public agency associations sell advertising to government contractors with the income from this advertising going to pay for lobbyists.
- Bills filed last session to abolish or reform the practice of taxpayer-funded lobbying include [HB 281](#), [HB 433](#), [HB 3680](#), [HJR 86](#), [SB 29](#), [SB 702](#), [SB 703](#), [SB 906](#), [SB 1592](#), [SB 1614](#), and [SB 2329](#).
- In March 2020, a supermajority (YES – 94.29%, NO – 5.71%) of Texas Republican primary voters supported the following ballot proposition: “*Texas should ban the practice of taxpayer-funded lobbying, which allows your tax dollars to be spent on lobbyists who work against the taxpayer.*”

Recommendations

- Ban the ability of local government to hire outside lobbyists.
- Prohibit any political subdivision of the state from using public funds to hire someone whose main job was to lobby any governmental entity.
- Prohibit any public funds from going to public agency associations.

Resources

[SB 29](#). 2019. Engrossed. 86th Texas Legislature (R).

[Taxpayer-Funded Lobbying: Testimony Before the Texas Senate Committee on State Affairs on the Committee Substitute for SB 29](#) by Chuck DeVore, Texas Public Policy Foundation (March 18, 2019).

[“91% of Texans Oppose Taxpayer Funded Lobbying”](#) By Kevin Roberts, Texas Public Policy Foundation, (May 16, 2019).