



TEXAS ETHICS COMMISSION



ETHICS ADVISORY OPINION NO. 99

December 10, 1992

Application of lobby statute to luncheon provided to legislators and legislative staff members by an organization whose members are also organizations. (AOR-86)

The Texas Ethics Commission has received a request concerning the application of Government Code chapter 305, the lobby statute, to luncheons provided for legislators and legislative staff members by an organization (hereinafter "the umbrella organization") that is made up of 48 member organizations. The umbrella organization provides luncheons to which every legislator as well as legislative staff members are invited.¹ Dues from member organizations to the umbrella organization defray part of the cost of the meals. At each luncheon, one member organization pays part of the remaining cost of the meal. Individuals from the member organizations may attend the luncheon at a cost of \$5 per meal.

The requestor first asks whether each member organization should report a portion of its \$150 dues paid to the umbrella organization under the lobby statute. As we understand the request letter, the umbrella organization is making the expenditures at issue here.² Thus the expenditures in question are attributable to the umbrella organization for purposes of lobby registration and reporting, not the individual members. [Ethics Advisory Opinion No. 89](#) (1992).

The reporting requirements applicable to the umbrella organization depend on the nature of the umbrella organization. If the umbrella organization is nothing more than a conduit for making lobby expenditures and creating an opportunity for member organizations to communicate directly with members of the legislative branch to influence legislation, the umbrella organization, for purposes of the lobby statute,³ is "a business entity engaged in the representation of clients for the purpose of influencing legislation or administrative action." *See* Gov't Code § 305.005(j). In that case, the umbrella organization would identify its member organizations as "clients" and report the information required under section 305.005(f)(3) for each member organization. The umbrella organization would report "dues" from member organizations as compensation.

If the umbrella organization serves broader purposes and exercises some discretion in the use of dues paid by member organizations, the umbrella group would have to provide on its lobby registration the information required by section 305.005(h),⁴ including "a list of those persons making a grant or contribution, in addition to or instead of dues or fees, that exceeds \$250 per year." *Id.* § 305.005(h)(4). The umbrella organization would not have to report the names of its member organizations or information about dues paid by member organizations.⁵

The requestor also asks whether an individual who attends the luncheon must report the \$5 expenditure for his own lunch as a lobby expenditure. If the individual has met one of the thresholds for required lobby registration,⁶ *see id.* § 305.003, then he must report the expenditure for his own lunch if the purpose of the expenditure is to communicate with members of the legislative branch to influence legislation.

The requestor also asks whether a member organization, which is paying for a particular lunch and has individual members who are registered lobbyists, should attribute any of the costs of the luncheon to those individual members who are lobbyists. Expenditures are to be attributed, for registration and reporting purposes, to the individual or entity that makes the expenditures. *See* [Ethics Advisory Opinions Nos. 91, 89](#) (1992)

(regarding attribution of expenditures). Again, however, a registrant must report the cost of his own lunch if the registrant purchases the lunch in order to communicate directly with one or more members of the legislative branch to influence legislation.

SUMMARY

The lobby reporting requirements applicable to an umbrella organization made up of member organizations depend on the nature of the umbrella organization.

¹ Because this is an event to which every legislator is invited, the cost of the luncheon is to be reported as a lump sum under the category of "events to which all legislators are invited." Gov't Code § 305.0062(a)(8). The legislature has provided that when expenditures are made under this category, a more detailed report of the expenditure is not required. Id. § 305.0062(d); [Ethics Advisory Opinion No. 34](#) (1992).

² The expenditure for each meal that is paid by an individual member organization is of course attributable to the member organization and may require the member organization to register and report as a lobbyist.

³ In such circumstances, the members have simply earmarked funds for lobby expenditures. See [Ethics Advisory Opinion No. 91](#) (1992).

⁴ Section 305.005(h) provides as follows:

(h) If a registrant's activities are done on behalf of the members of a group or organization, including a business, trade, or consumer interest association but excluding a corporation, the registration form must include:

- (1) a statement of the number of members in the group;
- (2) the name of each person in the group or organization who determines the policy of the group or organization relating to influencing legislative or administrative action;
- (3) a full description of the methods by which the registrant develops and makes decisions about positions on policy; and
- (4) a list of those persons making a grant or contribution, in addition to or instead of dues or fees, that exceeds \$250 per year.

⁵ The requestor also asks about the applicable reporting requirements if the umbrella organization charges each member organization an additional assessment to cover the costs of the luncheons. The nature of the umbrella organization, as discussed above, would determine the applicable reporting requirements.

⁶ An individual's expenditure for his own luncheon would not be included in the calculation to determine the expenditure threshold. Gov't Code § 305.003(a)(1).