



TEXAS ETHICS COMMISSION



ETHICS ADVISORY OPINION NO. 610

September 24, 2024

ISSUE

Whether a lobbyist reports a publicly traded partnership as a corporation or non-corporate entity on the lobby registration form. (AOR-711)

SUMMARY

A publicly traded partnership is a partnership, not a corporation, and is therefore reported on the lobby registration as a non-corporate entity under Section 305.005(h) of the Government Code.

FACTS

The requestor is a Master Limited Partnership (MLP) that has employees who are required to register as lobbyists with the Texas Ethics Commission (TEC). The requestor-MLP is organized as a limited partnership with limited partner units publicly traded on the New York Stock Exchange.

ANALYSIS

A registration filed by a lobbyist must include a list of lobby clients. Tex. Gov't Code § 305.005(a). The registration generally separates lobby clients into two categories: 1) corporations and 2) non-corporations. *Id.* § 305.005(h), (i) (describing a non-corporation as “a group or organization, including a business, trade, or consumer interest association *but excluding a corporation.*”) (emphasis added). Corporations are further separated into publicly traded corporations and “corporations the shares of which are not publicly traded.” *Id.* § 305.005(i).

The amount and type of organizational information required to be disclosed about a lobby client depends on whether it is a non-corporation, non-publicly traded corporation, or publicly traded corporation.

The requestor asks how its lobbyists should report the MLP on the lobby registration form.

An MLP is a limited partnership that has ownership units publicly traded on an exchange. *Williams v. Pipe Pros, LLC*, No. 6:20-CV-00057, 2021 U.S. Dist. LEXIS 46406, at *3 n.2 (S.D. Tex. 2021) (internal citation omitted).

Like a typical limited partnership, an MPL has a general partner who manages the partnership's affairs and limited partners who provide capital. *Id.* The ownership interests are called "units" and publicly traded on an exchange. *Id.*

The requestor-MLP is organized as a Delaware limited partnership with its ownership units publicly traded on the New York Stock Exchange. The requestor's general partner is a Delaware limited liability company.

Chapter 305 draws a bright line between a corporation and non-corporate entity by listing other types of organizations and expressly excluding corporations from that list. Tex. Gov't Code § 305.005(h). For the purposes of lobby disclosure, whether ownership of a business entity is publicly traded only matters if the business is organized as a corporation. *Id.* § 305.005(i). Since an MLP is a partnership, not a corporation, it is reported on the lobby registration as a non-corporation under subsection 305.005(h).

This decision is not in tension with Ethics Advisory Opinion 606. Tex. Ethics Comm'n Op. No. 606 (2024). In EAO 606, the TEC held that an MLP would be subject to the prohibition on corporate political contributions if it had corporate ownership. However, the TEC *did not* hold that an MLP is a corporation. *Id.* Instead, the TEC held that an MLP could be subject to the corporate contribution prohibition if it had corporate ownership. *Id.* *See also* Texas Ethics Comm'n Op. No. 221 (1994) (applying the corporate contribution restriction to a partnership with a corporate partner to "restrict the transfer of corporate treasury funds into the political process").