

CUTTING OUT THE MIDDLEMAN: THE EFFORT TO BAN TAXPAYER-FUNDED LOBBYING IN TEXAS

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KEY POINTS

- The practice of taxpayer-funded lobbying violates the principles of constitutional order and limited government.
- Local governments that spend tax dollars to hire lobbyists oftentimes do so for the purpose of securing higher taxes, more spending, and greater regulatory authority.
- In 2023, local governments spent as much as \$98.6 million to hire contract lobbyists—an increase from \$75 million in 2021.

INTRODUCTION

The U.S. Constitution guarantees the right to freedom of speech and protects this right as a means to petition the government for the redress of grievances. This speech can take many forms, such as speaking with decision-makers directly, phone banking, gathering signatures, donating to candidates, peaceful protesting, or supporting interest groups. These activities can be performed by both citizens and privately-run organizations, as affirmed by *California Motor Transport Co. v. Trucking Unlimited* (Quintero & Welton, 2023). Lobbying activities of this type, being derived from and maintained by private means, are entirely consistent with the philosophical framework established by the Founders.

In contrast, governmental entities do not enjoy the same rights and constitutional guarantees. Instead, governments are provided with powers and authorities, subject to democratic control and modification. Yet these entities actively lobby the Texas Legislature for an expansion of power and resources. In more recent times, this viewpoint has prompted Texas local governments to devote public proceeds to hire the services of professional lobbyists to advance their interests. This practice, known as taxpayer-funded lobbying (TFL), not only violates the constitutional order, but runs contrary to the very notion of limited government. The result of this practice is that local governments lobby state government for more government.

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To end this practice, several policymakers have filed legislation to ban certain aspects of TFL, with a particular emphasis on contract lobbying. If successful, this reform could eliminate a pernicious influence on the legislative process and restore the American people's rights to self-determination and self-government.

ISSUE

Taxpayer-funded lobbying occurs when a governmental entity utilizes public funds to influence the legislative process, either through a contract lobbyist, an intergovernmental relations team, or a pro-government association like the Texas Municipal League that primarily represents a certain class of public servant. The practice is intended to help pass or defeat legislation that the governmental entity deems to be important.

The extent of this activity is significant, too. Data collected from the Texas Ethics Commission ([n.d.](#)) shows that cities, counties, school districts, and special districts spent as much as \$98.6 million in 2023 to hire contract lobbyists. This is an increase from 2021's estimate of \$75 million. Importantly, these expenditure levels are specific to contract lobbying and do not include expenses related to other types, such as compensation for intergovernmental relations personnel or membership dues paid to pro-government associations. These expenditure levels only reflect the immediate, observable cost to the taxpaying public. The information available through the Texas Ethics Commission is only a narrow scope of the costs of TFL. The policies for which they lobby can also create recurring costs to taxpayers by growing government or by opposing policies that would save taxpayers money.

Actual Impact

To better illustrate the goals of local governmental entities, consider the City of Austin's latest legislative agenda, which tasks its public-private team of lobbyists "to actively support legislation related to specific position(s) adopted by the City Council" ([City of Austin, 2024, p. 2](#)). One such city position

entails: "Oppos[ing] legislation that would increase state regulation of local ballot language or the initiative or referendum process" ([p. 6](#)). Presumably, maintaining such a position would mean attempting to defeat legislation that seeks to establish new bonded indebtedness that generally requires new tax revenue, which is often a point of contention as some local government officials use deceptive messaging to obfuscate the real effects of debt on property taxes.

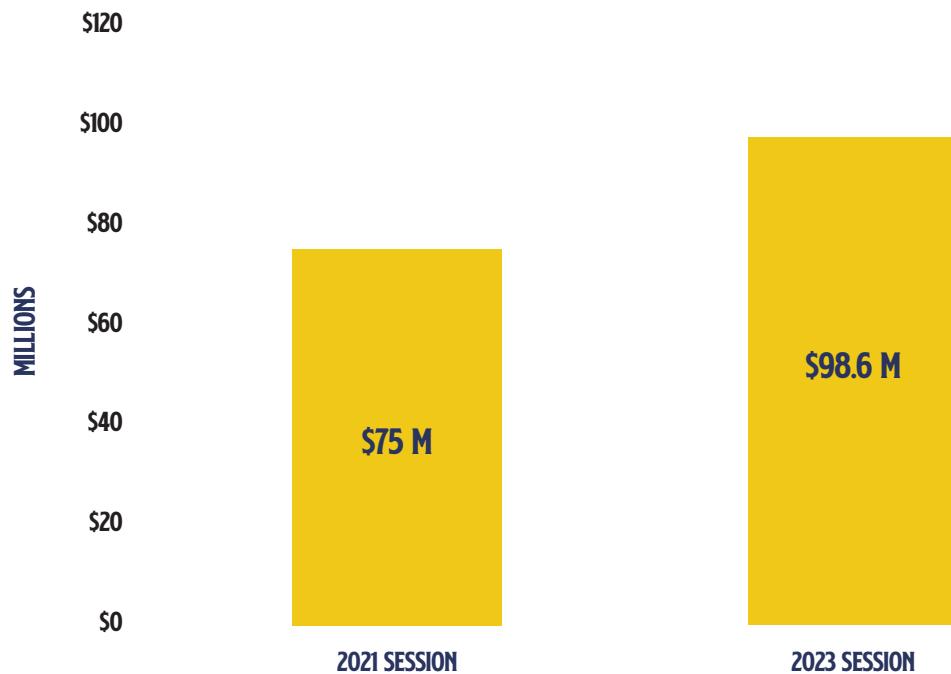
In another example, the City of Dallas has committed to spending over \$1 million on their Office of Government Affairs (which houses their internal lobbyists) in order to advocate for progressive policies, including the adoption of ranked-choice voting for local government elections ([City of Dallas, 2024, p. 10](#)). Ranked-choice voting is often criticized as a slow and confusing system that has been found to be in direct conflict with the Texas Election Code ([Bonura, 2024](#)).

In another example, recall that policymakers in the 88th Texas Legislature attempted to address housing affordability with a measure that sought to preempt municipal regulation of lot sizes. This bill, SB 1787 ([2023](#)), was opposed by a combination of intergovernmental relations personnel and representatives from the Texas Municipal League, which is a tax-supported entity who lodged complaints in committee that the bill would interfere with the government's ability regulate private property. The effect of this publicly financed opposition was to defeat reform and keep housing unaffordable.

Taxpayer-funded lobbying has also been used to frustrate school choice efforts. Consider SB 2 (89R), which proposes to create and fund education savings accounts (ESAs) intended to give all qualifying parents the opportunity to send their child to an educational institution that best meets their needs. The hope is that by fostering a competitive marketplace, the best-performing schools will excel, and parents will be empowered to leave low-performing environments. However, a well-funded opposition-led by

Figure 1

Comparing Local Government Contract Lobbying Expenditures in 2021 and 2023



Source: Texas Ethics Commission, n.d. (<https://www.ethics.state.tx.us/search/lobby/loblistsREG2021-2025.php>).

pro-government groups like the Texas Association of School Boards (TASB) seeks to prevent the bill's passage and any idea like it from taking root ([SB 2, 2025](#)). To put it another way, taxpayer-funded lobbyists are supporting a system which leaves a significant number of children unable to read or perform math on grade level, while denying the opportunity of underprivileged families to enjoy the same level of education that wealthier families can access.

Local governments have been engaging in practices that enrich themselves, harm the current cohort of taxpayers, and saddle future generations with debt with ISDs as the main culprit, racking up an average debt of nearly \$31.5 billion ([Quintero & Bonura, 2024](#)), which include projects like expensive sports stadiums, waterparks, and golf courses. These local governments then insulate themselves by claiming "overreach" when the State tries to use its author-

ity to hold them accountable for their out-of-control spending. Despite historic tax relief provided by the state legislature, many Texans did not experience the decrease in their tax bill that they should have. This is due to overspending at the local level facilitated in part by taxpayer-funded lobbyists. The use of taxpayer funds by government entities to engage contract lobbyists, hire internal lobbyists, or do so through associations like the TASB that represent government entities or public employee associations supported by taxes is a pressing cost that can no longer be overlooked.

Opportunity for Change

The 89th Texas Legislature has an opportunity to end the practice of TFL and restore citizens' unfettered access to their elected officials. Through the bills that have been filed so far, there are several ways to shine a light upon TFL: 1) through transparency

regarding how contracts are awarded, 2) through limiting which organizations and associations that elected officials may join if they stand to benefit from or engage in lobbying, and 3) through the outright prohibition of the practice altogether.

To the last point, several bills currently propose amending the Texas Government Code to prohibit political subdivisions from:

1. Spending public funds to hire an individual required to register as a lobbyist under chapter 305 for the purpose of lobbying a member of the legislature or;
2. Pay a nonprofit state association or organization that:
 - i. Primarily represents political subdivisions and
 - ii. Hires or contracts with an individual required to register as a lobbyist under chapter 305.
(SB 19, 2025)

Such changes would bring local government-specific restrictions in line with existing rules that govern state agencies. Consider that [Title 5, Chapter 556.005a](#) of the Texas Government Code currently only prohibits state agencies from engaging “a person who is required by Chapter 305 to register as a lobbyist.” Making the changes above would provide clarity on what are and what are not appropriate actions *any* political subdivision can take regarding policy and legislation.

Importantly, several proposals include provisions stipulating that public employees are not barred from providing information to a member of the legislature. Such clarification is critical to combatting misinformation, and implicitly suggests that more participation is desired from local elected officials—meaning, if the middlemen are removed from the legislative process, then local elected officials would likely become more involved as they must stake their positions on legislation themselves, ideally in turn ensuring a greater degree of transparency and accountability to the public. In past years, some pushback falsely spread fear that banning TFL would prevent, for instance, a mayor from picking up the phone and contacting their state legislator. This clarification should help assuage any apprehension that elected officials cannot properly carry out their duties. Other exemptions are made to ensure that grassroots activists still have access to legislators under [Section 556.005b § 5](#).

CONCLUSION

Taxpayer-funded lobbying is a practice that promotes the government’s interests at the expense of taxpayers’ interests. This legislative session, policymakers have an opportunity to support legislation that requires transparency and accountability, but, more importantly, to ban TFL altogether. Public opinion polls reveal that 81% of Texans oppose TFL and would prefer that the Texas Legislature abolish the practice ([Phillips, 2025](#)). To ensure that governments serve the people and not their own ends, it is critical to achieve this monumental reform in 2025. ■

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