



## When Tax Money Is Used Against Taxpayers

*Invited Testimony before the Kansas State Senate Local Government Committee*

by The Honorable Chuck DeVore

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Chairman Pyle, members, thank you for this opportunity to testify before your committee.

In addition to my written testimony, I have attached a bill I authored in 2008 to address a specific strain of government lobbying along with the analysis by the majority. Lastly, my short bio is included as well.

The issue of taxpayer-paid lobbyists is problematic.

When I served as an assemblyman in the California legislature, representing almost a half-million people from 2004 to 2010, I quickly noticed that a very large number of the lobbyists working the halls of Sacramento worked for various layers of government.

Lobbyists, powerful members of the so-called “third house,” write bills, assemble coalitions, and pass or stop legislation. When they work for trade groups, unions, businesses, or other special interests, they are participating in a very specialized form of free speech—of “petition(ing) the Government for a redress of grievances” as the First Amendment says.

But, what if they’re working for government itself and being paid with taxpayer dollars? How can one part of a representative government petition itself for a “redress of grievances” to another part of government?

During my time in office I represented a portion of a county, nine incorporated cities, and numerous school and special districts. If any elected member or staff member from one of these local elected bodies called me or wanted to meet to discuss a matter of public policy, I immediately accommodated them—they were important constituencies within the district I represented.

But, many of these public jurisdictions within my district and across the state also employed professional lobbyists. In fiscal year 2007, California counties and cities spent \$40 million of taxpayer money on lobbyists to influence the state legislature. These expenditures included working for measures that appeared contrary to the interests of their own constituents, such as the City of Los Angeles lobbying against eminent domain restrictions in the wake of the Supreme Court’s *Kelo v. City of New London* decision, or cities working to increase state taxes.

Of course, state taxes and the protection of property rights is properly the domain of the legislature, not local government. If a state representative’s views on these matters are out of step with the district they represent, then they risk losing at reelection time.

Another form of professional lobbying by taxpayer-funded entities occurs via public agency associations. For instance, many states have an association of cities. In California, it’s called the California League of Cities. The California League of Cities paid about \$2 million to lobby the legislature in a typical year during my time in office.

But this association is not accountable to voters. Thus, the League of Cities can take a stance in favor of higher taxes without jeopardizing any of the elected members who represent the cities who belong to the League. The California League of Cities raises much of its money through ad sales in its magazine, *Western Cities*. These ads are purchased by businesses that do business with cities. In 2006, an eminent domain reform initiative was placed on the California ballot as Proposition 90. The League of Cities used its magazine to launder more than \$8.5 million in campaign contributions from businesses that work for cities to narrowly defeat eminent domain reform (48 percent of the voters casting a “yes” vote). Interestingly, *Western Cities* can’t be found on news racks in the state.

In Texas, where I’ve lived since 2011, there have been attempts to curtail taxpayer paid lobbying by government. In 1997 a two-sentence bill was introduced, HB 2501, that would have prohibited any political subdivision of the state from using public funds to hire someone whose main job was to lobby any governmental entity. It failed.

During a 2012 Texas House Ways and Means Committee hearing held to discuss cutting or reforming property taxes, some state representatives noted that many taxpayer paid lobbyists advocate for greater government spending, higher tax rates and more bond debt.

The city that hosts the Texas state capital, Austin, spends about \$1 million per year to lobby, employing 14 lobbyists, while Texas school districts and special districts spent about \$344 million in the 2009 legislative session.

Should a city have the right to use city taxpayer dollars to ask for more taxpayer money from the state? Local governments in Texas spend millions of taxpayer dollars every year trying to convince the state to give them more taxpayer money. This doesn’t seem right—especially when voters already send representatives to the state capital to represent their interests.

Local governments’ use of taxpayer dollars to lobby for higher taxes, greater spending and more regulatory power is akin to taking taxpayer dollars to take more taxpayer dollars. ★

## About the Texas Public Policy Foundation

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