

SPECIAL SESSION BILL ANALYSIS

HBs 36, 46, 56, 64, 83, 86, 87, 94, 123, 127, 173 & SB 12

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ISSUE

Taxpayer-funded lobbying (TFL) refers to the practice of political subdivisions expending public monies to influence legislative or administrative actions. As a result, through taxes, Texans subsidize speech without their consent, speech that is frequently contrary to their values and interests. Estimates place total TFL expenditures as high as \$98.6 million in 2023, costs ultimately borne by citizens (Bonura & Quintero, 2025, p. 1). These government-led political influence efforts commonly focus on securing “larger budgets, more taxing authority, and greater regulatory control” (Bonura, 2025, p. 1).

During the 89th Regular Session, members filed multiple proposals to prohibit political subdivisions from hiring registered lobbyists or otherwise financing registered lobbyists through associations with taxpayer dollars, including House Bills (HBs) 309, 571, 671, 1189, 1294, 1313, 3257, 3615, 4860 and Senate Bills (SBs) 19, 239, 1420, and 1695. While none of these measures ultimately passed, SB 19 advanced the furthest in the legislative process by reaching the opposite chamber.

SUMMARY OF CURRENT LEGISLATIVE PROPOSALS

Governor Abbott identified a TFL prohibition as one of the 18 agenda items for the First Called Special Session of the 89th Legislature. Several legislative proposals have been introduced to ban TFL, including House Bills (HBs) 36, 46, 56, 64, 83, 86, 87, 94, 123, 127, and 173, and Senate Bill 12.

HBs 36, 46, and 64 are substantively identical and add Section 556.0056, Government Code, to prohibit political subdivisions from:

1. Hiring an individual required to register under Chapter 305, Government Code (i.e., a professional lobbyist).
2. Paying dues to an association or organization that primarily represents political subdivisions and hires a registered lobbyist.

The remaining bills approach TFL differently, in major and minor ways. A brief survey of the changes provides clarity prior to the section-by-section analysis of the legislation. SB 12, HBs 56, and 173 differ from HBs 36, 46, and 64, primarily because they exempt sheriff's associations. HB 83 is similar to HBs 36, 46, and 64; however, HB 83 does not contain the explicit exemptions for certain forms of communication and testimony by elected officials and public employees. HB 127 repeals the state association of counties authorization under Section 89.002, Local Government Code.

More major differences can be found in HBs 86, 87, 94, and 123. Uniquely, HB 86 does not broadly prohibit TFL, but rather it adds additional limitations on the practice. HB 87 focuses on prohibiting TFL by school districts and school district employees. HB 94 details the specific levels of political subdivisions impacted and contains a stronger enforcement mechanism than most, withholding state funds until two years have passed since a political subdivision violated the act. HB 123 changes one word of existing law from “the” to “public” and therefore takes a novel approach to barring taxpayer-funded lobbying.

SECTION-BY-SECTION ANALYSIS: HBs 36, 46, 56, & 64, 173, & SB 12

Section 1 begins by adding Section 556.0056, Government Code, which restricts how a political subdivision may use public funds with respect to lobbying. It first states that a political subdivision may not spend public funds to hire or contract with a person required to register under Chapter [305](#) to lobby a legislator, or to pay a nonprofit association that primarily represents political subdivisions if that association hires or contracts with a Chapter [305](#) registrant.

After establishing the prohibition, the section lists specific safe harbors clarifying that certain activities are not prohibited: furnishing information or testimony; advocacy by an elected officer in the officer’s official capacity; employee advocacy that does not trigger Chapter [305](#) registration; reimbursement of the direct travel expenses tied to those permissible activities; and internal “legislative services,” non-registrable informational communications with legislators, and testimony by full-time employees of qualifying associations.

The section concludes by creating a taxpayer or resident enforcement mechanism, authorizing injunctive relief to halt prohibited spending, and a fee-shifting provision awarding reasonable attorneys’ fees and costs to a prevailing taxpayer or resident.

HB 56, 173, and SB 12 provide a narrow carve-out for an association that solely represents elected sheriffs.

Section 2 amends Section [89.002](#), Local Government Code to insert a cross-reference, “Except as provided by Section 556.0056, Government Code,” thereby making county payment of membership fees or dues to a statewide county association contingent on the new lobbying expenditure restriction.

Section 3 begins by setting out the applicability of new Section 556.0056, specifying that the prohibition applies only to expenditures or payments made on or after the act’s effective date, even if those payments arise from contracts executed before, on, or after that date, and immediately voids any contract term that would require a prohibited expenditure or payment as of the effective date.

Section 4 then addresses the applicability of the amended Section [89.002](#), limiting the changes to expenditures from a county’s general fund occurring on or after the effective date, while continuing prior law in effect for expenditures made before that date.

Section 5 establishes the effective date. SB 12, HB 56, HB 64 and HB 173 take effect on the 91st day after the last day of the legislative session. HB 46 specifies September 1, 2025. HB 36 sets a slightly later date of October 1, 2025.

SECTION BY SECTION ANALYSIS: HB 83

Section 1 adds new Government Code Section 556.0056, which restricts a political subdivision’s use of public funds for lobbying, first prohibiting spending to hire an individual required to register under Chapter [305](#) to lobby a legislator or to pay a nonprofit state association or organization that primarily represents political subdivisions and engages a Chapter [305](#) registrant.

It then specifies the two elements that make the association payment impermissible: 1) primary representation of political subdivisions and 2) hiring or contracting with a registrant.

After setting out the prohibitions, the section establishes a private enforcement mechanism allowing a taxpayer or resident to seek appropriate injunctive relief to stop the prohibited activity and related payments. It further provides that a taxpayer or resident who prevails in such an action may recover reasonable attorneys' fees and costs.

Section 2 amends Local Government Code Section [81.026](#), which states that a county judge or county commissioner may serve on governing bodies or committees of county associations formed under Section [89.002](#), by adding a limitation that public funds may not be spent to participate in those bodies contrary to new Section 556.0056.

Section 3 amends Local Government Code Section [89.002](#) to condition county general fund payments of membership fees and dues to a nonprofit state association of counties, "Except as provided by Section 556.0056, Government Code," thereby integrating the new lobbying expenditure restriction.

Section 4 sets applicability for the newly added Section 556.0056, limiting its reach to expenditures or payments made on or after the Act's effective date, expressly including those made under contracts executed before, on, or after that date, and voiding any contract term requiring a prohibited expenditure or payment as of the effective date.

Section 5 provides a separate applicability clause for amended Section [89.002](#), limiting the changes to county general fund spending that occurs on or after the effective date and continuing prior law in effect for earlier spending.

Section 6 establishes the Act's effective date as the 91st day after the last day of the legislative session.

SECTION-BY-SECTION ANALYSIS: HB 86

Section 1 begins by adding Government Code Section 556.0056 and first stating that the new section applies only to a governmental entity authorized to impose a tax. It then prohibits the governing body from spending public money obtained through the taxes it imposes to contract with a Chapter [305](#) registered lobbyist to communicate directly with one or more legislators to influence pending legislation unless two procedural prerequisites are satisfied: 1) the expenditure is authorized by a majority vote in an open meeting, and 2) the vote is taken as a stand-alone agenda item.

After establishing the conditional prohibition, the section requires any governmental entity that does contract with a registrant under those conditions to post specified transparency items on its website: (a) the authorized amount; (b) the lobbyist's name; (c) a copy of the contract; (d) the amount, if any, spent on dues or fees to a nonprofit state association or similarly situated organization that itself contracts with a Chapter [305](#) registrant; and (e) any current legislative agenda or resolution adopted by the entity.

The section next places a subject-matter limitation on the hired lobbyist, barring direct communication on behalf of the entity about bills that specifically propose to amend Tax Code Section [26.04\(c\)](#) or [26.041\(c\)](#). It then prohibits any reimbursement to a registered lobbyist for food, beverages, or entertainment.

For enforcement, it authorizes a resident or service recipient to file a sworn complaint with the Texas Ethics Commission for non-compliance. Finally, the section delineates safe harbors clarifying it does not prevent an officer or employee from: providing information to a legislator; appearing before a legislative committee; or directly communicating with legislators to influence legislation.

Section 2 repeals Government Code Section [2254.030](#).

Section 3 sets an applicability rule limiting the new Section 556.0056 to payments made under contracts entered into on or after the Act's effective date. Contracts executed before that date remain governed by prior law.

Section 4 provides that the Act takes effect on the 91st day after the last day of the legislative session.

SECTION-BY-SECTION ANALYSIS: HB 87

Section 1 adds Government Code Section 556.0056, which prohibits a school district from 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 legislative branch, or to pay a nonprofit state association or organization that both primarily represents political subdivisions and hires or contracts with a Chapter [305](#) registrant.

Next, the section restricts a school district employee from using public funds or other district resources to communicate directly with a legislator or a legislator's employee to influence legislation.

After establishing the entity and employee prohibitions, the section provides an enforcement mechanism authorizing any taxpayer or resident of the district to obtain appropriate injunctive relief both to halt further prohibited activity and to stop further related expenditure of public funds. It concludes with a fee-shifting clause entitling a prevailing taxpayer or resident to recover reasonable attorney's fees and costs from the district.

Section 2 then supplies an applicability clause limiting new Section 556.0056 to the use or expenditure of public funds by a school district or school district employee made on or after the effective date.

Section 3 establishes the Act's effective date as the 91st day after the last day of the legislative session.

SECTION-BY-SECTION ANALYSIS: HB 94

Section 1 begins by adding new Government Code Section 556.0056 and limits its scope to a defined list of "public entities," ten categories, including taxing political subdivisions, bond-issuing special districts, regional mobility, transit, and tollway authorities, special purpose, public institutions of higher education, community college districts, publicly owned utilities, and river authorities or water supply corporations.

The section then states two prohibitions: 1) a covered public entity may not spend public funds to hire or contract with a Chapter [305](#) registrant to lobby a legislator or 2) to pay a nonprofit state association/organization that both primarily represents public entities and hires or contracts with a Chapter [305](#) registrant.

After setting those prohibitions, the section enumerates safe harbors clarifying that specified direct informational or advocacy activities remain permissible: 1) providing information or appearing before a committee; 2) official-capacity advocacy by an elected officer; 3) employee advocacy that would not trigger registration; 4) reimbursement of direct travel expenses for those activities; and 5) certain internal legislative services, informational communications not requiring registration, and testimony by full-time employees of qualifying nonprofit associations.

The section then creates a private enforcement mechanism granting a taxpayer, resident, or service recipient injunctive relief to halt prohibited activity and further related payments; provides fee shifting for a prevailing party; and adds a funding penalty barring the violator from receiving state funds for two years after the violation.

Section 2 amends Local Government Code Section [89.002](#) to insert the cross-reference “Except as provided by Section 556.0056, Government Code,” while striking the no longer applicable prior provision that limited lobbying influence.

Section 3 establishes applicability of new Section 556.0056 solely to expenditures or payments made on or after the Act’s effective date, expressly including those made under contracts executed before, on, or after that date, and voids any contract term requiring a prohibited expenditure as of the effective date.

Section 4 provides a separate applicability clause for the amended Section [89.002](#), limiting its changes to county general fund spending occurring on or after the effective date, and continuing prior law for earlier expenditures.

Section 5 sets the general effective date as the 91st day after the last day of the legislative session.

SECTION-BY-SECTION ANALYSIS: HB 123

Section 1 amends Government Code Section [556.0055\(a\)](#) by broadening the existing requirements on political subdivisions that are a recipient of state funds from prohibition on the use of state funds to a prohibition on the use of public funds on various forms of lobbying. First, the recipient of state funds may not use public funds to pay lobbying expenses incurred by the recipient of the state funds. Second, a recipient of state funds may not use public funds to pay a person or entity required to register with the Texas Ethics Commission under Chapter [305](#). Third, it may not use public funds to pay any partner, employee, employer, relative, contractor, consultant, or related entity of such a Chapter [305](#) registrant. Fourth, it may not pay a person or entity hired to represent associations or other entities for the purpose of affecting the outcome of legislation, agency rules, ordinances, or other government policies.

Section 2 provides an applicability clause specifying that the amended Section [556.0055](#) applies only to expenditures made on or after the effective date. Expenditures made before that date remain governed by prior law, which is continued in effect for that purpose.

Section 3 establishes that the Act takes effect on the 91st day after the last day of the legislative session or the last day of the legislative session.

SECTION-BY-SECTION ANALYSIS: HB 127

Section 1 begins by adding new Government Code Section 556.0056 and sets out two prohibitions: 1) a political subdivision may not spend public funds to hire an individual required to register as a lobbyist under Chapter [305](#) to lobby a legislator or 2) to pay a nonprofit state association or organization that both primarily represents political subdivisions and hires or contracts with a Chapter [305](#) registrant.

After establishing the prohibitions, the section creates a private enforcement mechanism granting any taxpayer or resident injunctive relief to halt prohibited activity and further related payments. It concludes with a fee-shifting clause entitling a prevailing taxpayer or resident to recover reasonable attorney’s fees and costs from the political subdivision.

Section 2 amends Local Government Code Section [81.026](#) to continue permitting a county judge or commissioner to serve on governing bodies or committees of county associations, including nonprofit statewide associations, but adds that the official may not spend public funds to participate or obtain membership in violation of new Section 556.0056.

Section 3 repeals Local Government Code Section [89.002](#) altogether (State Association of Counties).

Section 4 provides the applicability clause, limiting new Section 556.0056 to expenditures or payments of public funds made on or after the effective date and voiding, as of the effective date, any contract term requiring a prohibited expenditure or payment.

Section 5 sets the Act's effective date as the 91st day after the last day of the legislative session. ■

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