ONCOR

# ONCOR PRINCIPLES, POLICIES AND PROCEDURES

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| *Title:* | **Lobbying Expenditures, Gifts, Gratuities and Entertainment, and Other Matters Relating to Public Officials** |
| *Responsible Officer:* | **Senior Vice President Responsible for External Affairs** |
| *Last Reviewed/Revised Date:* | **July 15, 2026** |

## I. SCOPE / APPLICATION

This policy applies to political activities and contributions, including lobbying expenditures, gifts, gratuities, and entertainment provided to public officials (and their staff, family, and guests) at the local, state and federal levels by Oncor Electric Delivery Company LLC ("Oncor" or "Company"), including Company employees and other persons retained to represent the Company (collectively also referred to as "Company representatives").

This policy is intended to apply to Company representatives in their official capacity with Oncor and does not attempt to regulate the personal activities of such representatives regarding activities performed solely on their private time and in their personal capacity.

For the purpose of this policy, "public official" includes an elected or appointed public official or public employee, including any staff member of a public official; any member of the public official's or staff member's immediate family (e.g., spouse or dependent children); or invited guest of the public official.

## II. PURPOSE

Oncor and its management and employees value their right to participate in the political process in an appropriate manner, both as a legislative advocate and as a participant in the electoral process. Our participation, however, is guided by our Code of Conduct and the fundamental bedrock of our operating philosophy: **our ethical standards must be second to none and our actions are first guided by our responsibility to our shareholders, employees, and public to conduct all of our activities with the highest regard for the laws, rules, and regulations that govern such activities**.

This policy is intended to provide greater clarity concerning the requirements and guidelines of Oncor with regard to involvement in political activities, including lobbying, political campaigns and officeholder support.

## III. GOVERNANCE / IMPLEMENTATION

**How to Get Help.** No policy such as this covers every conceivable situation related to political involvement and related expenditures. Certain common situations are addressed in the Frequently Asked Questions included in the Appendix A at the end of this document.

Before a Company representative participates in any political activity including any lobby expenditure about which he/she is unsure, the Company representative should first obtain guidance from the contact listed at the top of this policy, or another person with authority to provide guidance on the matter. All Company employees and representatives are responsible for ensuring they understand and comply with this policy.

Additionally, with respect to any Company employee or representative who is a registered lobbyist with the Texas Ethics Commission and is performing duties associated with lobbying on behalf of the Company (individually, a "Company Lobby Representative" and collectively, "Company Lobby Representatives"), this policy incorporates, is augmented by and to the extent applicable, modified by, certain specific Company lobbying guidelines that apply to their respective performance of their duties associated with lobbying on behalf of the Company. All Company Lobby Representatives must obtain such lobbying guidelines from the Vice President of Governmental Affairs listed at the top of this policy and review the guidelines with such contact prior to performing any duties associated with lobbying on behalf of the Company.

**How to Obtain Prior Approval.** Where prior approval is called for by this policy, unless otherwise specifically noted, that approval may be made by the Senior Vice President responsible for External Affairs or his/her designee. The approvals required by this policy are in addition to any approvals required by other Company policies, such as the Delegation of Authority policy. Multiple activities reasonably related to the same event may be combined for purposes of the approval process (e.g., all transportation provided subject to an exception to the prohibition for a public official for the same event). It is the responsibility of the person seeking prior approval to confirm the approval in writing (e.g., via e-mail), which can be done within a reasonable time after the approval is obtained (e.g., within a week or so). Written record of the approval must be maintained for three years from the date of the approval.

**Recordkeeping of Lobby and Other Expenditures.** For audit and compliance purposes, detailed records of all Company lobby expenditures including gifts, gratuities and entertainment provided to public officials must be maintained by the Company, as well as by the Company representative making the expenditure, for three years from the date of the expenditure.

## IV. GENERAL POLICY

It is the intent of the Company that the laws, rules, and regulations applying to the Company's involvement in political and governmental activities establish a minimum standard for ethical behavior, and that the provisions set forth in this policy establish a standard of behavior that is in some instances more conservative than that required by laws, rules, and regulations. While not a complete list, specifically incorporated in this policy are the following relevant laws, rules, and regulations:

- Chapter 36 of the Texas Penal Code
- Chapter 302, Texas Government Code
- Chapter 305, Texas Government Code
- Chapter 34 of the Texas Ethics Commission Rules
- Title 15 of the Texas Election Code
- Lobbying In Texas – A Guide to the Texas Law (Texas Ethics Commission) [while not binding, this Guide is considered persuasive by the Texas Ethics Commission, which has the responsibility to enforce ethics rules relating to public officials]
- 2 U.S.C. 1601, et seq. (Federal Lobbying Disclosure Act)
- Rules of the U.S. Senate (see especially Rule XXXV: Gifts) https://www.rules.senate.gov/rules-of-the-senate

- The Federal Election Campaign Act of 1971, 2 U.S.C. §431 et seq.
- Subchapter D and Sec.15.029 of the Public Utility Regulatory Act (“PURA”)
- The Electric Reliability Council of Texas, Inc. (“ERCOT”) Corporate Standard (Re: Conflict of Interest) and the ERCOT Code of Conduct http://www.ercot.com/about/governance/ethics
- Office of Public Utility Counsel (“OPUC”) Policy Regarding Acceptance of Gifts
- Ethics and Corporate Policy of the Texas Reliability Entity, Inc. (“TRE”) https://www.texasre.org/documents/about us/2.0 pol ethics and conflicts of interest.pdf

Oncor believes it serves all of its stakeholders by maintaining cordial, yet professional, arms length relationships with public officials with whom the Company interacts. **However, in no event shall an employee or agent of Oncor provide any benefit to a public official that could impair that public official’s ability to perform his/her duties in a fair and unbiased manner.**

**Except as allowed by this policy and applicable law, Company representatives should not offer or provide any benefit (*e.g.*, gifts, meals, entertainment, transportation, lodging, favors, cash or its equivalent such as gift cards) to public officials.**

## V. SPECIFIC PROVISIONS RELATING TO STATE LOBBY EXPENDITURES

### A. Purpose

This policy applies to all expenditures directly and indirectly made by the Company or a Company representative to a state level public official in Texas.

Company representatives may engage in corporate lobbying efforts as long as these efforts comply with applicable law and Oncor’s Core Values and, in addition, reasonable judgment is observed. Oncor may reimburse Company representatives for expenses made in compliance with this policy and Oncor’s policies on expense reimbursement.

### B. Reporting Expenditures

The term “expenditure” includes both reportable and non-reportable expenditures, such as the expenditures made by a person who is not a registrant under the Texas lobby law or which are not reportable by a registrant for the registrant’s personal food, transportation, lodging and entertainment costs. The term “lobby expenditure” includes any expenditure made by a registrant or other person on the Company’s behalf that is required to be reported under state law, or where specifically noted, to expenditures at the local level. The term “registrant” means a person registered or required to register pursuant to Chapter 305 of the Texas Government Code, which regulates lobbying activities at the state level.

**Except as noted in the previous paragraph or otherwise specifically addressed herein, this policy is not intended to address the requirements for expenditures made under federal law, or that may exist in the various local governmental subdivisions.**

All lobby expenditures involving reportable individuals must be reported, either by the person making the expenditure or by an appropriate party if the person making the expenditure is not a registrant and seeks to be reimbursed by the Company. Lobby expenditures exceeding a certain amount as determined by the Texas Ethics Commission are required to be itemized by the name of the applicable public official. An appropriate party must also report lobby expenditures made directly by the Company. Detailed records of all expenditures must be maintained for audit and compliance purposes for three years from the date of reporting.

## C. Particular Provisions Relating To Certain Lobby Expenditures

All lobby expenditures at the state level must be reported to the Texas Ethics Commission in conformity with Chapter 305 of the Texas Government Code. The following includes certain guidance to keep in mind regarding lobby expenditures at any level of government, although reporting is required for lobby expenditures made at the state level:

1. No charitable contribution involving or requested by any public official should be made without prior approval.
2. No lobby expenditure should be made for transportation (other than local incidental transportation) or lodging without prior approval.
3. No expenditure should be made for Legislative Caucus activities during the statutory moratorium period for such caucuses, either 30 days prior to, during, or 20 days following a regular legislative session.
4. No lobby expenditure should be made directly by the Company without prior approval.
5. An expenditure of less than $200 is not considered to be a lobby expenditure if reimbursed in full by the person benefiting before the expenditure would be required to be reported. No lobby expenditure should be made for which reimbursement of $200 or more will occur from the officeholder involved unless the officeholder prepays the entire amount of the expenditure prior to the initiation of the activity or event. Any reimbursement of less than $200 from the officeholder involved, and any reimbursement from other registrants sharing an expenditure, must occur prior to the date on which the report of the expenditure would have to be filed by the registrant (typically the tenth of the month following the expenditure).
6. No lobby expenditure requiring physical presence should be made unless the registrant or appropriate corporate executive is actually present.
7. No food items should be given to public officials as gifts unless they meet the statutory exception for gifts of food mailed or delivered outside the capitol complex with a value of $110 or less.
8. Any lobby expenditures shared by more than one registrant should be made only if the additional registrant(s) is present at the time of the expenditure.
9. Any lobby expenditure made for persons invited or included at the request of a public official should be reported as required by law.
10. Lobby expenditures should not be split with any unregistered individual or any entity for reporting purposes unless approved in advance.
11. Only expenditures reportable as a lobby expenditure under the lobby law applying to state public officials (i.e., Chapter 305, Texas Government Code) may be made or offered to a public official in appreciation for any action or exercise of discretion of that public official.

**D. Particular Provisions Relating To Detailed Reporting**

Detailed reporting by name of the public official involved and the date (including the specific amount of the expenditure in some instances) is required if a registrant makes a lobby expenditure of:

1. more than $ $132.60* in one day for food and beverages, transportation, or lodging for a state officer or employee;
2. more than $ $132.60* in one day for entertainment for a state officer or employee, or for the spouse or dependent child of a state officer or employee;
3. for a gift, award, or memento *the value of which is more than $ $110* for a state officer or employee; or
4. any amount for a state officer or employee to attend a political fundraiser or charity event.

*The statute sets this detailed reporting threshold at 60% of the amount of the legislative per diem as set by the Texas Ethics Commission. For 2025 and 2026, the detailed reporting threshold is $ $132.60 Always use the currently approved amount.

Detailed reporting is not required on events to which all legislators are invited; however, the total cost of the event must be appropriately reported.

Detailed reporting is not required for mass media expenditures; however total expenditures in this category must be reported and, in certain instances, disclaimer requirements will apply.

**E. General Lobby Reporting Guidelines**

The guidelines attached to this policy as Appendix B are largely excerpted from the Commission's *LOBBYING IN TEXAS – A Guide to the Texas Law* with comments added that pertain to current practices and advice. These guidelines are not intended to be absolutely definitive legal advice, but are the current state of the practical application of the law at the Texas Ethics Commission.

**VI. SPECIFIC PROVISIONS RELATING TO FEDERAL PUBLIC OFFICIALS, LOCAL PUBLIC OFFICIALS, AND SELECTED STATE AGENCIES**

**A. Federal Public Officials**

Company representatives shall not obtain the involvement, attendance or participation of any member of the Federal Congress (including their staff) or other federal public officials in any state activities involving Company representatives or Oncor resources without first obtaining prior approval. Company representatives shall not provide a gift or other benefit to a federal public official, which includes employees of the Federal Energy Regulatory Commission ("FERC").

FERC has adopted ethics policies governing its trustees, officers, and employees. (see e.g., Section IV, above). It is the policy of Oncor that no expenditure may be made for the benefit of any trustee, officer or employee of FERC by any Oncor personnel, whether it be for meals, entertainment or gifts that is not in accordance with the F ERC policies.

**B. Local Public Officials**

Lobby expenditures made in connection with local governments must be consistent with the following guidelines on local lobbying activities and reported in the manner required, if any, by the particular governing authority. **It is the responsibility of the Company representative making the expenditure to determine whether reporting is required or whether the local government has policies or laws that are more restrictive than the guidelines in this policy.**

- Unless otherwise specifically approved in advance, expenditures at the local level are limited to meals, the value of which may not exceed $50, and items of nominal value that are neither excessive nor exceed customary courtesies (*e.g.*, a coffee mug, calendar, pen, or cap would normally be considered to have nominal value).

- No expenditure may be made for the benefit of a local public official if the public official is involved in any proceeding in which the public official will be asked to exercise his or her discretion in any matter involving the Company, unless specifically approved in advance.

- No expenditure may be made for the benefit of any local public official prior to any known opportunity for action where the public official might be called on to exercise his or her discretion on any matter of interest to the Company, unless specifically approved in advance.

- No expenditure may be made for any local public official in appreciation for an action or exercise of discretion whether in the past, the present or in anticipation of the future.

- Expenditures for meals involving local public officials at charitable or civic functions exceeding the $50 per person limit shall be made only with prior approval.

### C. State Agencies

All state agencies are required by the Texas Government Code to adopt an ethics policy. Oncor's activities or matters relating to the Public Utility Commission of Texas ("PUCT") and OPUC are governed by the separate policies, laws, rules, and regulations of those entities (see e.g., Section IV, above). However, it is the policy of Oncor that no expenditure may be made for the benefit of any official or employee of the above noted entities by any Oncor personnel, whether it be for meals, entertainment or gifts, regardless of any conflicting provisions contained in such policies, laws, rules, and regulations.

Three entities with regulatory oversight relating to Oncor's business activities (ERCOT, TRE, and the Independent Market Monitor ("IMM")) have adopted ethics policies governing their officers, directors, and employees (see e.g., Section IV, above). It is the policy of Oncor that no expenditure may be made for the benefit of any official or employee of any of these entities by any Oncor personnel, whether it be for meals, entertainment or gifts that is not in accordance with the policy of the applicable entity.

## VII. SPECIFIC PROVISIONS RELATING TO POLITICAL CONTRIBUTIONS AND ACTIVITY

### A. General Policy On Political Involvement

Oncor shall not itself make corporate political contributions, directly or in-kind, unless authorized by law and only with advance authorization. No expenditure, gift or contribution in any manner should be made in connection with a campaign or officeholder function, whether directly or indirectly, without prior approval.

Corporate direct campaign expenditures and independent expenditures as authorized by law are permissible when authorized and approved in advance in accordance with the policy that the corporation is not to spend corporate treasury funds at the behest or request of, or in cooperation or coordination with, any individual candidate, party committee, political committee or any other type of organization for the purpose of expressly advocating the election or defeat of any federal, state or local candidates or for engaging in electioneering communications for political campaigns. Direct campaign expenditures, independent expenditures and direct corporate contributions are permissible, however, for measure elections when made with prior approval and reported in accordance with the applicable law regarding such measure election expenditures.

Oncor supports the administration and solicitation of its voluntary Political Action Committees ("PACs") with corporate funds as allowed under the Federal and Texas election laws, and as specifically authorized under the terms of this policy.

**B. Permissible Political Activities**

The following activities are allowed as long as they are in compliance with this policy and applicable law:

- Corporate support of the employee managed PACs

- Relationship building, philanthropy and community support, and charitable contribution requests from public officials, with specific prior approval

- Oncor sponsored speeches, issue briefs, and educational sessions attended by politicians when no expenditure will be made to offset or reimburse the expenses of any state or local public official in attendance, unless such expenditure is reportable as an expenditure under the state lobby law, Chapter 305, Texas Government Code, or is an expenditure consisting of meals, lodging or transportation in connection with a conference or similar event allowed under Ch. 36.07(b) of the Penal Code

- Ribbon cutting ceremonies or grand openings attended by politicians or community leaders, with the requirement that any related expenditures that benefit a public servant in connection with such event are properly reported as required by law.

- Participation in any statewide, regional, or local measure elections and ballot initiative or referendums with specific prior approval and in accordance with the provisions of the Texas Election Code

- Contributing or purchasing an item for the Company at a public event or charity auction when public officials are in attendance and where the funds go to a charity that does not benefit a public official, directly or indirectly

- Corporate contributions, either in-kind or direct financial support, to the Republican National Committee, the Democratic National Committee, or any of their affiliated political party organizations only as permitted under relevant federal and state laws and regulations and with specific prior approval by the Senior Vice President responsible for External Affairs

**C. Prohibited Political Activities**

The following practices have been identified by Oncor as specifically prohibited:

- Participation in statewide, legislative, or local government political campaigns through the use of corporate contributions (other than pre-approved direct campaign expenditures or independent expenditures as defined in this policy, or through an employee-managed PAC in the form of in-kind or direct "administrative" expenditures)

- The use of office facilities such as conference rooms, office space, or sports stadium suites for partisan political activities or to provide a benefit to any political campaign if paid for by Oncor

- The use of any corporate property, personnel or resource to benefit a person who is a candidate for state or local public office in Texas, or to make a contribution, in-kind or direct, to any candidate, political action committee or public official in his or her officeholder capacity

- Any requests for third parties to make a political contribution to a candidate or political party on behalf of Oncor

- Reimbursement or payment in regard to a third party or consultant billing for expenses incurred for in-kind or direct financial support of a political party, committee or candidate, including gifts, meals, travel and time incurred that were devoted to a political campaign

- Any participation without specific prior approval in an event, function or activity that is sponsored by a local or state officeholder that would involve an expenditure made by the Company or the defraying by the Company of expenses that are incurred by the officeholder in performing a duty or engaging in an activity in connection with the office when such expenditure would not be reimbursable with public money

- The reimbursed or non-reimbursed use of corporate aircraft by public officials unless such use is in accordance with federal law and with Texas lobbying statutes and regulations and with prior approval

## VIII. DEFINITIONS / KEY TERMS

Company representative - Includes Company employees and other persons retained to represent the Company (collectively also referred to as "Company representatives").

Expenditure - Includes both reportable and non-reportable expenditures, such as the expenditures made by a person who is not a registrant under the Texas lobby law or which are not reportable by a registrant for the registrant's personal food, transportation, lodging and entertainment costs.

Lobby expenditure - Includes any expenditure made by a registrant or other person on the Company's behalf that is required to be reported under state law, or where applicable, to expenditures at the local level.

Public official - Includes an elected or appointed public official or public employee, including any staff member of a public official; any member of the public official's or staff member's immediate family (e.g., spouse or dependent children); or invited guest of the public official.

Registrant - A person registered or required to register pursuant to Chapter 305 of the Texas Government Code, which regulates lobbying activities at the state level.

## FREQUENTLY ASKED QUESTIONS

The following issues and corresponding Oncor policy are provided for demonstration purposes only and should be read in conjunction with the remainder of this policy, Oncor's core values and reasonable judgment.

| ISSUE | POLICY |
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| **Can employees engage in political activities on their personal time, and yet use the Oncor company name?** | Employees can engage in political activities on their personal time taken and documented in accordance with Oncor's Vacation policy, but cannot use Oncor letterhead, equipment, e-mail or resources of any form. |
| **Is it permissible to buy lunch for, or provide a minimal gift or entertainment to a PUCT Commissioner or employee when the Company is not involved in a contested-case hearing before the PUCT?**<br><br>**Is it permissible to buy lunch for, or provide a minimal gift or entertainment, or other benefit of any kind to a board member or employee of ERCOT or TRE?** | No. PURA explicitly prohibits a PUCT Commissioner or employee from soliciting or accepting a gift or gratuity from a Company employee. Also, our policy is not to make any lobby expenditures for a PUCT Commissioner or employee in any amount.<br><br>Such expenditures would be allowed only if consistent with the ethics policies, standards and limitations adopted by those entities. |
| **Can Oncor donate small dollar items such as golf balls to political fundraisers?** | No. Regardless of the size of the donations, no corporate contributions can be made to any political fundraiser.<br><br>These materials can only be distributed if individually purchased and donated by an individual at a fair market price available to the public. |
| **Can Oncor still provide transportation and lodging to state public officials for educational and fact-finding purposes?** | Yes, but only as long as: the expenditure is necessary for the member of the legislative or executive branch to obtain information that directly relates to the member's official duties; the member cannot reasonably obtain the information without the expenditure; and the expenditure is not for the member's attendance at a merely ceremonial event or pleasure trip. If an expenditure made for transportation or lodging for a fact-finding trip is required to be disclosed on a lobby activities report, the purpose of the transportation or lodging must include a description of the information that the expenditure was necessary to obtain. Any such expenditures for public officials at the local level are not allowed without prior approval and without an additional specific pre-determination that there will be no benefit to the local public official. |

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| **If a state public official promotes a charitable activity, can Oncor participate in or become a sponsor of the project?** | Yes, but only for state level officials not employed by the PUCT or OPUC and when approved prior to the event. Oncor will carefully scrutinize whether the involvement is consistent with state law and regulations and the promotion of Oncor's business and social values, and not solely those of the official. Additional considerations are applicable when the requesting official is a local public official. Requests from local public officials to participate in or become a sponsor of a charitable activity need to be pre-approved. |
| **Can Oncor invite state level public officials and employees to various sporting and entertainment events or provide meals in a business or a personal context?**<br><br>**Can Oncor make expenditures for federal level public officials and employees for meals, gifts or entertainment in any form?**<br><br>**Can Oncor make expenditures for local level public officials and employees for meals, gifts or entertainment in any form?** | Gifts, meals and entertainment involving state officials and employees are currently regulated under various state laws. Participation in these activities is allowed, but only if it falls within clearly defined limitations, including restrictions on transportation and lodging, and the fair market value is appropriately reported in accordance with law.<br><br>It is Oncor's policy that any such expenditure for federal officials or employees is specifically prohibited.<br><br>As a general policy and subject to the provisions in Section VI B. of this policy, any expenditure for entertainment to be made involving local public officials or employees is prohibited unless prepaid by the recipient prior to the initiation of the event. Meal functions are limited to a maximum of $50 per event per person, and gifts beyond those of a nominal value as described in Section VI B. of this policy are strictly prohibited. |
| **Can Oncor financially participate in events where elected officials may be present?** | Yes, as long as the event benefits the community or supports our business interests, does not support an election campaign, and does not create an impermissible benefit to the officeholder. |

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| **Can Oncor employees pay for meals of a public official or employee for business reasons and be reimbursed for the meal?** | Yes, for state level officials and employees not otherwise prohibited under this policy as long as the Oncor employee meets any applicable lobby registration and reporting requirements and the purpose of the function is for the promotion of Oncor's public policy objectives. There should also be proper and timely documentation and reporting of the meeting specifically stating the business purpose, attendees, and other relevant expense account reporting information consistent with the appropriate reporting guidelines. Expenditures for meals provided for local officials are limited to a maximum of $50 per person per Company policy. |
| **Can Oncor employees attend political fundraisers for candidates for state office on corporate time?** | Yes, but only in certain circumstances involving registered lobbyists for the Company where the intent of the attendance is to lobby. Any other political involvement at the event would make the expense impermissible. Any such other political involvement should be on the separate personal time and expense of the employee and should be properly allocated as such. Without prior approval, outside consultants may not seek reimbursement from Oncor for any expenditure in connection with campaign activities. |
| **Can Oncor sponsor Texas legislative caucus activities, including meal functions, during the legislative session?** | No. Current law precludes such caucus expenditures during the legislative session. |
| **Can Oncor make state lobby expenditures directly from the corporation as opposed to reimbursing Oncor employees and consultants for those expenditures?** | Yes, but only where preauthorized and in accordance with the provisions of the State Lobby Law. The preferred method is for any such expenditure to be made by the individual lobbyist, submitted for reimbursement, and properly reported by the lobbyist. |

**2017 UPDATE (Revised 2025)**
**General Lobby Expenditure and Reporting Guidelines**

The following is based in part on the publication _LOBBYING IN TEXAS – A Guide to the Texas Law, as published by the Texas Ethics Commission (Revised May 16, 2024 )_ with comments added that pertain to current practice and advice.

**Amount of Lobby Expenditure.** It is easy to determine the amount of most lobby expenditures, such as the cost of a meal in a restaurant or of a gift purchased at a store. When the lobby expenditure consists of something that is created or assembled specifically for lobby purposes, the expenditure for reporting purposes is the greater of the "fair market value" or the actual cost of producing the item. Texas Ethics Comm., Ethics Advisory Opinion No. 67 (1992).

**Apportioning Expenditures.** If you make a lobby expenditure for a group that includes state officers and employees as well as other people, and you cannot reasonably ascertain the exact amount spent on each person, you should apportion the lobby expenditures in accordance with the total number of persons present. Gov't Code § 305.0062(d).

**Allocating to More Than One Category.** When a particular lobby expenditure includes expenses categorized under more than one reporting category (for example, a payment to a hotel for "food and beverages" as well as "lodging"), or when a particular category of lobby expenditure is attributable to more than one beneficiary (for example, food and beverages served to a senator and members of the senator's family), the expenditures should be allocated between the appropriate reporting categories or beneficiaries. Ethics Advisory Opinions Nos. 91, 29 (1992).

**Attributing Expenditures.** On a lobby activity report a lobby expenditure for food and beverages is attributed to the person who consumes the food or beverage; an expenditure for entertainment, transportation, or lodging (where permissible and approved) is attributed to the person for whom admission, transportation, or lodging expenses are paid; and an expenditure for a gift, award, or memento is attributed to the recipient of the item. Gov't Code § 305.0062(b).

**Associated Expenses.** When reporting expenditures for an event such as a banquet, you must include under "food and beverages" all the other expenditures you made to prepare and present the food and beverages, such as the room rental, flowers, printing costs, and name badges. Ethics Advisory Opinions Nos. 136, 119 (1993).

**Certain Expenditures Reimbursed by a State Officer or Employee.** A payment of less than $200 is not a lobby expenditure if the person who makes the expenditure is fully reimbursed by the state officer or employee benefiting from the expenditure before the date the expenditure would otherwise be required to be reported. 1 T.A.C. § 34.1 (definition of expenditure).

**Taxes and Tips.** A tax or tip paid in connection with a lobby expenditure is not counted as part of the lobby expenditure for purposes of calculating the threshold or reporting. 1 T.A.C. § 34.9.

**Lobbyist's Own Expenses.** An expenditure for a person's own food, beverages, entertainment, transportation, and lodging is neither counted toward the expenditure threshold nor reported on lobby activity reports. 1 T.A.C. § 34.41(a)).

**REPORTING ASSISTANTS**
If you employ, retain, or direct a person who assists you in lobbying, you must report information about the assistant and the subject matters the assistant works on. The term "assistant" includes any person who provides administrative or research assistance to a lobbyist, but does not include a person who provides only clerical or secretarial help. 1 T.A.C. § 34.63(a). An assistant may be someone who is also registered as a lobbyist. The fact that a person is named as an assistant to a lobbyist does not relieve the assistant from the obligation to register as a lobbyist if the assistant is otherwise required to register. Ethics Advisory Opinion No. 162 (1993).

**Reporting on Behalf of an Entity**. A registrant for the Company may report an expenditure made by the Company in order for the Company to avoid registration. Any such Company expenditure should receive specific approval prior to being made. You must report the expenditure by the date on which the entity, if registered, would have been required to report it. Your report must reflect that you are reporting an expenditure made by an entity and indicate the specific amount reported on behalf of the entity. The Company can only ask one registrant to report on its behalf any particular expenditure made by the Company. 1 T.A.C. §§ 34.45 and 34.85.

**No Sponsorship of Caucus Events During the Session**. A legislative caucus cannot accept a contribution during the regular legislative session from a non-caucus member. Sponsorship of food/beverage by a registrant at a caucus event during the session would be a prohibited in-kind contribution to the caucus. Title 15, Tex. Election Code Sec. 253.0341.

**Cash Gifts and Loans.** A registrant may not give a state officer or employee a gift of cash or a negotiable instrument. Nor may a registrant loan money or provide a guarantee or endorsement of a loan to a state officer or employee. However, an expenditure by a lobbyist of less than $200 that is fully reimbursed by a state officer or employee before it would otherwise be reportable by the lobbyist is not considered a prohibited loan or a reportable lobby expenditure. 1 T.A.C. § 34.1.

**Food and Beverages.** A registrant may provide food or beverages to a state officer or state employee, or immediate family or guests invited by a state officer or employee only if the registrant is present at the event. A registrant may also make necessary expenditures for food and beverages provided in connection with a conference, seminar, educational program, or similar event in which the state officer or employee provides services (such as giving a speech or participating on a panel) that are "more than merely perfunctory" and the registrant is present at the event. Gov't Code §. 305.024 and 305.025

However, the registrant does not need to be present if the expenditure is for food or beverages with a value of $110 or less, is intended as a gift for the state officer or employee, and is delivered by first-class United States mail or by common or contract carrier outside the Capitol Complex. Gov't Code § 305.0061(e-1).

There is no monetary limit on the expenditures a registrant may make for food or beverages.

**Entertainment** A registrant may provide entertainment to a state officer or state employee, or immediate family or guests invited by a state officer or employee only if the registrant is present at the event. A registrant is subject to an aggregate $500 maximum annual expenditure limit for entertainment for an individual state officer or employee, or immediate family or guests invited by a state officer or employee. Gov't Code § 305.024(a)(4).
The total value of a joint expenditure for entertainment may exceed $500 IF each portion of the expenditure is made by a registrant (**joint expenditures with a non-registrant are prohibited under this policy)** and each portion of the expenditure does not exceed $500. § 305.024(c)

A registrant may also provide necessary expenditures for entertainment provided in connection with a conference, seminar, educational program, or similar event in which the state officer or employee provides services (such as giving a speech or participating on a panel) that are "more than merely perfunctory" and the registrant is present at the event. Gov't Code § 305.025.

**Family and Friends.** The law contains reporting categories for invited guests of a public official, so that all persons who might accompany a legislator, staffer or agency person to an event or function have their own entertainment expenditure cap, and their own category for reporting expenditures. *See e.g.,* Gov't Code § 305.0062(a)(7).

**Mass Media Expenditures.** Mass media expenditures are not subject to attribution by category of persons who benefit. Reportable expenditures are made for broadcast or print advertisements, direct mailings, social media, and other mass media communications if:

1. the communications are made to a person other than a member, employee, or stockholder of an entity that reimburses, retains, or employs the registrant; and

2. the communications support or oppose, or encourage another to support or oppose, pending legislation or administrative action.

   (Note: If you plan to make mass media communications to influence legislation or administrative action, you should be aware of Section 305.027 of the Government Code, which sets out disclosure requirements for legislative advertising. See also EAO 188.)

**Transportation and Lodging.** A registrant may not provide transportation (other than incidental local ride-sharing) or lodging to a state officer or employee for a ceremonial event or pleasure trip. Gov't Code § 305.024(a)(2)(A). A lobbyist may make necessary expenditures for transportation or lodging to a state officer, or employee or spouse of a public official, with proper pre-approval and for the following purposes only:

- to explore a matter related to the state officer's or employee's duties such as a fact-finding trip; a trip in connection with a conference, educational program, or similar event, if the state officer or employee provides services at the event (such as giving a speech or participating on a panel) that are "more than merely perfunctory." Gov't Code § 305.025; ; or
- incidental ride sharing in the immediate geographical area, reported according to law. § 305.025(5); 1 T.A.C. § 34.13. The registrant must be present either on the trip or at the event for which the expenditures were made.

**False Communications.** A person violates Section 305.021 of the Government Code if, for the purpose of influencing legislation or administrative action, the person knowingly or willfully makes a false statement or misrepresentation of fact to a state officer or employee. It is also a violation of this section to cause a copy of a document the person knows to contain a false statement to be received by a state officer or employee without notifying the state officer or employee in writing of the truth.

**Events to Which All Legislators Are Invited.** Lobby expenditures made for an event to which all members of the legislature are invited are reported *only* under the specific category for such expenditures and are not included in any other category or on a detailed report. As long as all the members of the legislature are invited, it does not matter how many legislators actually attend the event. Gov't Code § 305.0062(d).

**Contingent Fees.** It is illegal for a person to retain or employ another to influence legislation or administrative action, or to accept employment or render any services to influence legislation or administrative action, when compensation for that employment or service is totally or partially contingent on the passage or defeat of any legislation, the governor's approval or veto of any legislation, or the outcome of any administrative action. Gov’t Code § 305.022.