

# FACT SHEET FOR SB 408 / HB 793 TESTIMONY

## HOUSE COMMITTEE ON GOVERNMENT TRANSPARENCY & OPERATIONS

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### BACKGROUND INFO/KNEELAND TEST:

- In *Greater Houston Partnership v. Paxton* (2015), the Texas Supreme Court threw out the *Kneeland* test, which had been used to determine when an entity qualified as a "governmental body" under the Public Information Act (PIA).
- The ***Kneeland*** test holds that a private entity qualifies as a governmental body under the PIA if it:
  - Receives public funds, unless the funds are received pursuant to an **arms-length contract** for services;
  - Receives public funds under a contract that indicates a common purpose or creates an **agency-type relationship** with the public entity; or
  - Provides **services traditionally provided by a governmental body**.
- After throwing out the *Kneeland* test, the Texas Supreme Court held that Greater Houston Partnership was not a governmental body under the PIA because it is not "sustained" by public funds.
- Senate Bill 408 and House Bill 793 attempts to **reinstate the *Kneeland* test** by codifying it in statute.

### CITY- CHAMBER CONTRACT:

The City of Irving and the Irving-Las Colinas Chamber of Commerce have had a public private partnership for economic development services for 15 years.

The City of Irving pays the Chamber \$1.5 million annually (FY 2016 – 2017) for economic development recruitment, retention, expansion and marketing. This accounts for less than 50% of the Chamber's budget.

During FY 2016-2017, the Chamber delivered a **353%** return on investment to the city. Every \$1 of public investment in the Partnership resulted in \$1,128 in economic output and \$46.54 in annual tax savings for the average Irving household.

## 2015 OPEN RECORD REQUESTS:

Between January 12, 2015 and April 15, 2015 the Irving-Las Colinas Chamber received:

- **21 Open Records Requests**  
These requests included:
  - Information from the President/CEO Selection Committee
  - Check registers
  - Dollars spent on marketing for a Chamber event
  - Credit cards statements
  - Emails and text messages
  - FedEx/Shipping charges
- The bulk of these requests were rejected by the AG due to the sensitive nature and personnel information. Most were Chamber related, not economic development.
- **200+ hours of staff time** spent researching and compiling information after work hours and over weekends
- **\$116,575 spent on outside legal counsel** and responding to requests with the Attorney General's office.

## POST SUPREME COURT RULING:

Since the Supreme Court's ruling in the *Greater Houston Partnership v. Ken Paxton* – the Chamber has not received any open records requests.

## TRANSPARENCY MEASURES:

- The Chamber keeps **separate accounts** for private funding and public funding. All money paid by the City to the Chamber for economic development services is in a separate account and separate credit cards are used for economic development expenses.
- The Chamber is required to meet **134 deliverable tasks** under its pay-for-performance contract with the city and make public quarterly presentations detailing programs, projects, events, trade missions and marketing efforts. This is posted to the City's website.

- The Chamber is required to **provide an annual budget** that is tied to activating the program of work, annually.
- The Chamber undergoes an **audit annually** and findings are presented to the Chamber's Board of Directors, as well as the City.