

LOBBY WATCH

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Pent-Up Demand:

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In One Week, Lobby Floods New Speaker With Wealth

It was an awkward moment for the Texas lobby when Rep. Joe Straus announced on the first Sunday in January that a House majority would back his bid to replace Speaker Tom Craddick.

Straus announced his ascension toward the start of the six-month fundraising blackout that surrounds legislative sessions. This prevented an anxious lobby—which promotes its agenda by showering money on the powerful—from paying tribute to the new speaker until an entire session had come and gone. When the cruel prohibition finally lifted, Straus raised \$721,050 in a single week in June—twice what he raised during the two years preceding his promotion.¹

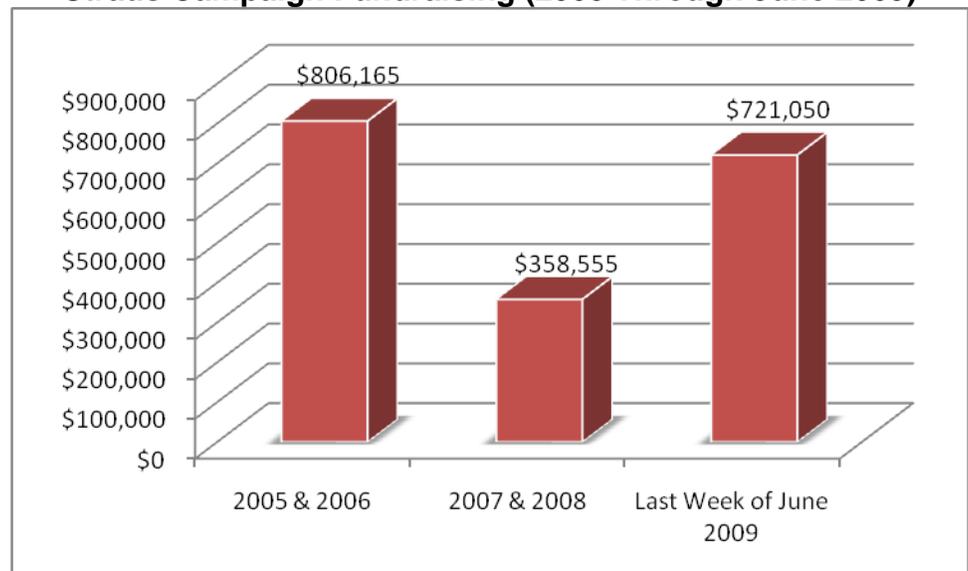
The driving force behind Straus' big fundraising week does not appear to have been an outpouring of support from modest contributors welcoming the shift from a hard-line to moderate Republican speaker. Institutional donors, which previously accounted for 40 percent of the money that Straus raised, provided 72 percent of the money raised by the new speaker.

Rep. Straus' largest check in his pre-Speaker 2008 cycle was a \$10,000 check from grocery magnate Charles

Butt. Then, in June of this year Straus raked in 31 five-figure checks, which accounted for 60 percent of his haul. Money loves power.

Straus' top 34 contributors collectively gave him \$463,000 in June (see next page), accounting for almost two-thirds of Straus' take. Seventy percent of these big contributors also backed the preceding speaker in the 2008 cycle, giving to Tom Craddick directly or to the Craddick-aligned Stars Over Texas PAC. Much of Straus' big money, then, can be attributed to the business lobby seeking access and influence with whoever commands the speaker's dais.

Straus Campaign Fundraising (2005 Through June 2009)



Top Contributors To House Speaker Straus In June 2009

Total To Straus June 2009	Total To Craddick PACs In 2008 Cycle	Contributor (Company)	City	Interest Group
\$50,000	\$101,500	AT&T	Austin	Communications
\$25,000	\$10,000	BG Distrib. Partners PAC	Houston	Miscellaneous Business
\$25,000	\$10,000	*Harlan Crow (Crow Holdings)	Dallas	Real Estate
\$25,000	\$25,000	TX Assn. of Realtors PAC	Austin	Real Estate
\$25,000	\$26,529	TX Medical Assn. PAC	Austin	Health
\$20,000	\$2,500	HillCo PAC	Austin	Lawyers/Lobbyists
\$15,000	\$0	*Paul Bryant, Jr. (Greene Group)	Tuscaloosa	Insurance
\$15,000	\$35,098	John Nau III (Silver Eagle Distrib.)	Houston	Miscellaneous Business
\$15,000	\$5,000	H. Ross Perot (Hillwood Develop.)	Plano	Real Estate
\$15,000	\$20,000	Time Warner Cable PAC	Houston	Communications
\$10,000	\$0	Akin Gump Strauss Hauer & Feld	Austin	Lawyers/Lobbyists
\$10,000	\$0	Blackridge Consulting LLP	Austin	Lawyers/Lobbyists
\$10,000	\$15,000	Burlington Northern Santa Fe	Fort Worth	Transportation
\$10,000	\$0	Charles C. Butt (HEB Grocery Co.)	San Antonio	Miscellaneous Business
\$10,000	\$35,000	Farmers Employee & Agent PAC	Austin	Insurance
\$10,000	\$44,190	Paul Foster (Western Refining Co.)	El Paso	Energy/Nat'l Resources
\$10,000	\$0	William Greehey (NUStar Energy)	San Antonio	Energy/Nat'l Resources
\$10,000	\$0	*Joe V. LaMantia, Jr. (L&F Distrib.)	McAllen	Miscellaneous Business
\$10,000	\$500	*Landry's Restaurants PAC	Houston	Miscellaneous Business
\$10,000	\$70,000	*MAXXAM Inc. PAC	Houston	Finance
\$10,000	\$0	NUStar Energy PAC	San Antonio	Energy/Nat'l Resources
\$10,000	\$35,000	Bob Perry (Perry Homes)	Houston	Construction
\$10,000	\$10,000	PSEL PAC (Bass Family)	Fort Worth	Energy/Nat'l Resources
\$10,000	\$10,000	Q PAC (Q Funding, LP)	Fort Worth	Finance
\$10,000	\$0	*Texans for Economic Development	Austin	Miscellaneous Business
\$10,000	\$20,000	TX Apartment Assn. PAC	San Antonio	Real Estate
\$10,000	\$27,500	TX Assn. of Builders PAC	Lubbock	Construction
\$10,000	\$20,000	TX Automobile Dealers Assn.	Austin	Transportation
\$10,000	\$25,000	TX Dental Assn.	Austin	Health
\$10,000	\$0	*TX Greyhound Assn. PAC	Lorena	Miscellaneous Business
\$10,000	\$15,000	Wholesale Beer Distributors of TX	Austin	Miscellaneous Business
\$10,000	\$7,500	Winstead P.C.	Dallas	Lawyers/Lobbyists
\$7,000	\$10,000	TXU Energy PAC	Dallas	Energy/Nat'l Resources
\$6,000	\$0	Gary P. Nunn & Bunkhouse Band ²	Austin	Miscellaneous Business

Note 'Craddick PACs' = Craddick's campaign and Stars Over Texas (which supported Craddick's speakership).

*Contributor with gambling interests.

Ten major Straus supporters did not pay recent tribute to Speaker Craddick. Four of these big contributors have interests in Texas racetracks, which have been lobbying to install slot machines.³

Speaker Straus' father chairs the company that operates Retama Park outside San Antonio. In January the new speaker—who has had his own racetrack

ties—pledged to recuse himself from matters involving “the expansion of gambling at pari-mutuel racetracks.”

Yet gambling money keeps betting on Speaker Straus, who also collected big checks from Harlan Crow and the PACs of Landry's Restaurants and MAXXAM, Inc., which all boast gaming interests.⁴

Breaking down Rep. Straus' campaign money by industry reveals only one significant shift in the money he raised before and after he became speaker. The Miscellaneous Business sector, which supplied 11 percent of Rep. Straus' money in the 2008 cycle, accounted for 21 percent of what Speaker Straus raised in June 2009. Gambling and alcohol interests accounted for more than 70 percent of the Miscellaneous Business money flowing to Speaker Straus.⁵

Since Straus moved from his rank-and-file House seat to the Speaker's dais, there has been a centrifugal shift in his fundraising base. During the 2008 cycle, Rep. Straus raised 36 percent of his money in district (much more than the House average of 18 percent in-district funding). Speaker Straus then raised more than

\$700,000 in June, with just \$2,000 coming from his home district.

Among candidates subject to the fundraising blackout, only the Governor, Lieutenant Governor and Attorney General surpassed Straus at fundraising in the first half of 2009. During that period, neither the Craddick campaign nor Stars Over Texas, which defended Craddick's speakership, raised any money.

Straus was first elected to the House in a special election in February 2005 to replace Rep. Elizabeth Ames Jones, whom Governor Perry appointed to the Texas Railroad Commission. Straus won 62 percent of the vote in the four-way race for that open seat.⁶ Libertarian challengers then became the only obstacles to Rep. Straus' reelection campaigns in 2006 and 2008.

Top Texas Fundraisers, First Half of 2009

Candidate	Office Held Or Sought	Amount Raised	Amount Spent	Bank Balance 6/30/2009
Kay B. Hutchison	Governor	\$6,712,919	\$1,857,928	\$12,547,260
*Rick Perry	Governor	\$4,231,086	\$1,318,765	\$9,355,100
*Greg Abbott	Attorney Gen'l	\$1,169,775	\$426,225	\$9,377,478
Ted Cruz	Attorney Gen'l	\$1,052,524	\$74,204	\$965,458
*David Dewhurst	Lt. Governor	\$769,750	\$668,401	\$1,261,620
*Joe Straus	Speaker	\$721,050	\$168,891	\$883,701
*Dan Branch	House	\$565,249	\$95,012	\$1,102,538
*Susan Combs	Comptroller	\$512,076	\$285,688	\$3,822,649
Tom Schieffer	Governor	\$505,843	\$233,801	\$454,156
Barbara Radnofsky	Attorney Gen'l	\$270,187	\$31,341	\$181,970

*Incumbent was legally barred from raising money this year until last week of June.

Notes

¹ Straus' speaker's committee separately raised an additional \$7,000. As a result of the special session convened this summer, Straus later reported that he received two more contributions in early July. His campaign fund and speaker's committee each reported receiving \$500 in that period.

² This band made an in-kind contribution to an event dated June 30, 2009.

³ Paul Bryant, Joe LaMantia, Texans for Economic Development and the Texas Greyhound Association.

⁴ Landry's has casino interests in Nevada and would like to develop them in Texas. Maxxam has racetrack interests in Houston and near the Mexican border. The Crow family, which once had stakes in the Lone Star Park, retains an interest in any future slot-machine revenue at that track.

⁵ Because these numbers are based on a contributor's *primary* interest, they understate gambling dollars. Just two of the six major gambling interests appearing on Speaker Straus' top-contributor list, for example, have been coded as primarily gambling interests (Texans for Economic Development and Texas Greyhound Association). Yet other big contributors may count gambling regulation as their primary legislative issue. Consider MAXXAM, which is coded as a "Finance" interest. When Texans for a Republican Majority PAC was helping Craddick become speaker in 2002, the PAC's notes on a fundraising meeting with MAXXAM chief Charles Hurwitz recorded a \$5,000 pledge next to a handwritten note saying: "Horsereading, No.1."

⁶ His closest competitor was Democrat Rose Spector, a former Texas Supreme Court justice who won 34 percent of the vote.