

BILL ANALYSIS

Senate Research Center
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C.S.H.B. 119
By: Gerdes et al. (Hughes)
State Affairs
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 119 amends Chapter 305 of the Texas Government Code to enhance oversight and regulation of lobbying activities involving foreign adversaries, aiming to protect the integrity of Texas' legislative and executive processes. This bill addresses a critical gap in current law by requiring registration of individuals who lobby on behalf of foreign adversaries and prohibiting them from receiving compensation for such activities. Its primary purpose is to safeguard state governance from undue influence by foreign entities deemed hostile to U.S. interests, reflecting a broader national security imperative tailored to Texas' unique political and economic landscape.

The bill expands the existing lobbyist registration framework under Section 305.003(a) by adding a new category: individuals who communicate directly with Texas legislative or executive branch members to influence legislation or administrative action on behalf of a "foreign adversary," "foreign adversary client," or "foreign adversary political party." These terms, defined in the new Section 305.030, encompass foreign governments or entities designated as adversaries by the U.S. Secretary of Commerce, their controlled affiliates, and related political or familial networks. Unlike prior thresholds tied to minimum expenditures or compensation, this requirement applies regardless of financial scale, ensuring comprehensive coverage of advocacy efforts linked to adversarial interests.

A central aim of H.B. 119 is to eliminate financial incentives for such lobbying by barring registrants from accepting direct or indirect compensation—monetary or in-kind—from these foreign entities. This prohibition targets potential conduits of influence, such as subsidiaries, officials, or political organizations under foreign adversary control.

To enforce these measures, the legislation empowers the Texas Attorney General to pursue injunctive relief and civil penalties—up to \$10,000 per violation plus forfeiture of illicit compensation—along with cost recovery for legal actions. This robust enforcement mechanism underscores the bill's intent to hold lobbyists accountable and deter violations, while providing a clear legal pathway to halt threatening activities preemptively.

(Original Author's/Sponsor's Statement of Intent)

C.S.H.B. 119 amends current law relating to the applicability of lobbyist registration requirements to persons engaged in certain foreign transactions or lobbying activities on behalf of a foreign adversary and to prohibitions on the receipt of compensation related to those lobbying activities and provides a civil penalty.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 305.003(a), Government Code, as follows:

- (a) Requires a person to register with the Texas Ethics Commission under Chapter 305 (Registration of Lobbyists) if the person:

(1)-(2) makes nonsubstantive changes to these subdivisions; or

(3) communicates directly with one or more members of the legislative or executive branch to influence legislation or administrative action on behalf of a foreign adversary, a foreign adversary client, or a foreign adversary political party, as those terms are defined by Section 305.030.

SECTION 2. Amends Subchapter B, Chapter 305, Government Code, by adding Section 305.030, as follows:

Sec. 305.030. COMPENSATION FROM FOREIGN ADVERSARY AND RELATED PERSONS PROHIBITED; CIVIL ENFORCEMENT. (a) Defines "control," "foreign adversary," "foreign adversary client," "foreign adversary political party," and "wholly or partly owned or operated."

(b) Prohibits a registrant who is required to register under Section 305.003(a)(3) from receiving or agreeing to receive direct or indirect compensation, including intangible or in-kind compensation, from a foreign adversary, a foreign adversary client, or a foreign adversary political party on whose behalf the registrant communicates directly with one or more members of the legislative or executive branch to influence legislation or administrative action.

(c) Authorizes the attorney general to bring an action for injunctive relief against a registrant who violates this section or is threatening to violate this section. Authorizes a court, in an injunction issued under this section, to include reasonable requirements to prevent further violations of this section.

(d) Authorizes the attorney general, in addition to injunctive relief under Subsection (c), to bring an action for civil penalties against a registrant who violates this section. Requires that a civil penalty assessed under this section be in an amount not to exceed \$10,000 for each violation and the amount of any compensation the registrant received in violation of this section.

(e) Authorizes the attorney general to recover reasonable expenses incurred in bringing an action under this section, including court costs, reasonable attorney's fees, investigative costs, witness fees, and deposition costs.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: September 1, 2025.