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H.B. No. 119

A BILL TO BE ENTITLED

AN ACT

relating to the registration as a lobbyist of persons who engage in certain lobbying activities on behalf of a foreign adversary and to prohibitions on the receipt of compensation related to those lobbying activities; providing a civil penalty.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 305.003(a), Government Code, is amended to read as follows:

(a) A person must register with the commission under this chapter if the person:

(1) makes a total expenditure of an amount determined by commission rule but not less than \$200 in a calendar quarter, not including the person's own travel, food, or lodging expenses or the person's own membership dues, on activities described in Section 305.006(b) to communicate directly with one or more members of the legislative or executive branch to influence legislation or administrative action; ~~or~~

(2) receives, or is entitled to receive under an agreement under which the person is retained or employed, compensation or reimbursement, not including reimbursement for the person's own travel, food, or lodging expenses or the person's own membership dues, of more than an amount determined by commission rule but not less than \$200 in a calendar quarter from another person to communicate directly with a member of the legislative or

executive branch to influence legislation or administrative action; 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. Subchapter B, Chapter 305, Government Code, is amended by adding Section 305.030 to read as follows:

Sec. 305.030. COMPENSATION FROM FOREIGN ADVERSARY AND RELATED PERSONS PROHIBITED; CIVIL ENFORCEMENT. (a) In this section:

(1) "Control" means the direct or indirect power to determine, direct, dictate, or decide important matters affecting an entity, including through:

(A) the ownership of at least 20 percent of the total outstanding voting interest in an entity;

(B) board representation;

(C) the ability to appoint or discharge a board member, officer, director, employee, or contractor;

(D) proxy voting, a special share, a contractual arrangement, a legal obligation, or a formal or informal arrangement to act in concert; or

(E) another means of exercising power.

(2) "Foreign adversary" means:

(A) a foreign government or foreign nongovernment person designated as a foreign adversary by the

United States secretary of commerce under 15 C.F.R. Section 791.4;

(B) an agency or entity under the control of a country described by Paragraph (A);

(C) a person wholly or partly owned or operated by or subject to the control of a country described by Paragraph (A);

(D) a subsidiary or parent of a person described by Paragraph (C);

(E) a person organized under the laws of or that has its principal place of business in a country described by Paragraph (A); and

(F) a subsidiary of a person described by Paragraph (E).

(3) "Foreign adversary client" means:

(A) a current or former:

(i) official in the executive, legislative, administrative, military, or judicial branch of a foreign adversary;

(ii) official of a foreign adversary political party; or

(iii) executive or officer of a foreign adversary;

(B) a corporation, business, or other entity that has been formed by, or for the benefit of, a person described by Paragraph (A); and

(C) an immediate family member of a person described by Paragraph (A), including the person's spouse, parent,

1 sibling, and child and a parent or sibling of the person's spouse.

2 (4) "Foreign adversary political party" means an
3 organization or a combination of individuals in the jurisdictional
4 limits of a foreign adversary, including a unit or branch of a
5 foreign adversary's government, that is engaged in an activity
6 wholly or partly devoted to or whose aim or purpose is to:

7 (A) establish, administer, control, or acquire
8 the administration or control of a foreign adversary or a
9 subdivision of a foreign adversary; or

10 (B) further or influence the political or public
11 interests, policies, or relations of a foreign adversary or a
12 subdivision of a foreign adversary.

13 (5) "Wholly or partly owned or operated" means:

14 (A) for a person that is a publicly traded
15 company, that a foreign adversary has:

16 (i) the ability to exercise control over
17 the company;

18 (ii) access to any material, nonpublic, and
19 technical information in the company's possession; or

20 (iii) other rights or involvement in
21 controlling or participating in the decision-making of the company
22 beyond those available to a retail investor holding an equivalent
23 share of ownership; and

24 (B) for a person that is a privately held
25 company, that a foreign adversary has any share of ownership of the
26 company.

27 (b) A registrant who is required to register under Section

1 305.003(a)(3) may not receive or agree to receive direct or
2 indirect compensation, including intangible or in-kind
3 compensation, from a foreign adversary, a foreign adversary client,
4 or a foreign adversary political party on whose behalf the
5 registrant communicates directly with one or more members of the
6 legislative or executive branch to influence legislation or
7 administrative action.

8 (c) The attorney general may bring an action for injunctive
9 relief against a registrant who violates this section or is
10 threatening to violate this section. In an injunction issued under
11 this section, a court may include reasonable requirements to
12 prevent further violations of this section.

13 (d) In addition to injunctive relief under Subsection (c),
14 the attorney general may bring an action for civil penalties
15 against a registrant who violates this section. A civil penalty
16 assessed under this section must be in an amount not to exceed:

17 (1) \$10,000 for each violation; and
18 (2) the amount of any compensation the registrant
19 received in violation of this section.

20 (e) The attorney general may recover reasonable expenses
21 incurred in bringing an action under this section, including court
22 costs, reasonable attorney's fees, investigative costs, witness
23 fees, and deposition costs.

24 SECTION 3. The changes in law made by this Act apply only to
25 conduct requiring a person to register as a lobbyist or to
26 compensation received by a person required to register as a
27 lobbyist under Chapter 305, Government Code, that occurs or is

1 received on or after the effective date of this Act. Conduct that
2 occurs or compensation received before the effective date of this
3 Act is governed by the law in effect on the date the conduct
4 occurred or compensation was received, and the former law is
5 continued in effect for that purpose.

6 SECTION 4. This Act takes effect September 1, 2025.