

By: Gerdes

H.B. No. 119

A BILL TO BE ENTITLED

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

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

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

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

11 (1) makes a total expenditure of an amount determined
12 by commission rule but not less than \$200 in a calendar quarter, not
13 including the person's own travel, food, or lodging expenses or the
14 person's own membership dues, on activities described in Section
15 305.006(b) to communicate directly with one or more members of the
16 legislative or executive branch to influence legislation or
17 administrative action; ~~or~~

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

1 executive branch to influence legislation or administrative
2 action; or

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

8 SECTION 2. Subchapter B, Chapter 305, Government Code, is
9 amended by adding Section 305.030 to read as follows:

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

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

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

18 (B) board representation;

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

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

24 (E) another means of exercising power.

25 (2) "Foreign adversary" means:

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

1 United States secretary of commerce under 15 C.F.R. Section 791.4;
2 (B) an agency or entity under the control of a
3 country described by Paragraph (A);
4 (C) a person wholly or partly owned or operated
5 by or subject to the control of a country described by Paragraph
6 (A);
7 (D) a subsidiary or parent of a person described
8 by Paragraph (C);
9 (E) a person organized under the laws of or that
10 has its principal place of business in a country described by
11 Paragraph (A); and
12 (F) a subsidiary of a person described by
13 Paragraph (E).
14 (3) "Foreign adversary client" means:
15 (A) a current or former:
16 (i) official in the executive, legislative,
17 administrative, military, or judicial branch of a foreign
18 adversary;
19 (ii) official of a foreign adversary
20 political party; or
21 (iii) executive or officer of a foreign
22 adversary;
23 (B) a corporation, business, or other entity that
24 has been formed by, or for the benefit of, a person described by
25 Paragraph (A); and
26 (C) an immediate family member of a person
27 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.