

SENATE AMENDMENTS
2nd Printing

By: Gerdes, Bonnen, Capriglione, Metcalf,
Troxclair, et al.

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

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,

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

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

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

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

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

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

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

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

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

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

(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.

ADOPTED

MAY 28 2025

Latey Law
Secretary of the Senate

By: Burton Hughes

H.B. No. 119

Substitute the following for H.B. No. 119:

By: Burton Hughes

C.S.H.B. No. 119

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the applicability of lobbyist registration
3 requirements to persons engaged in certain foreign transactions or
4 lobbying activities on behalf of a foreign adversary and to
5 prohibitions on the receipt of compensation related to those
6 lobbying activities; providing a civil penalty.

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

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9 to read as follows:

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

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

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

1 person to communicate directly with a member of the legislative or
2 executive branch to influence legislation or administrative
3 action; or

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

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

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

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

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

19 (B) board representation;

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

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

25 (E) another means of exercising power.

26 (2) "Foreign adversary":

27 (A) means:

1 (i) a foreign government or foreign
2 nongovernment person designated as a foreign adversary by the
3 United States secretary of commerce under 15 C.F.R. Section 791.4;
4 (ii) an agency or entity under the control
5 of a country described by Subparagraph (i);
6 (iii) a person wholly or partly owned or
7 operated by or subject to the control of a country described by
8 Subparagraph (i);
9 (iv) a subsidiary or parent of a person
10 described by Subparagraph (iii);
11 (v) a person organized under the laws of or
12 that has its principal place of business in a country described by
13 Subparagraph (i);
14 (vi) a subsidiary of a person described by
15 Subparagraph (v); and
16 (vii) a foreign government, corporation,
17 business, or other entity designated by the governor; and
18 (B) does not include a corporation, business, or
19 other entity that is not designated by the governor under Paragraph
20 (A)(vii) and that:
21 (i) is publicly traded in the United States
22 on a national securities exchange; or
23 (ii) provides to the commission an
24 attestation that each covered transaction to which the entity is a
25 party has been reviewed and approved by the Committee on Foreign
26 Investment in the United States under 50 U.S.C. Section 4565.
27 (3) "Foreign adversary client" means:

1 (A) a current or former:

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

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

7 (iii) executive or officer of a foreign
8 adversary;

9 (B) a corporation, business, or other entity that
10 has been formed by, or for the benefit of, a person described by
11 Paragraph (A), other than a corporation, business, or other entity
12 described by Subdivision (2)(B); and

13 (C) an immediate family member of a person
14 described by Paragraph (A), including the person's spouse, parent,
15 sibling, and child and a parent or sibling of the person's spouse.

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

21 (A) establish, administer, control, or acquire
22 the administration or control of a foreign adversary or a
23 subdivision of a foreign adversary; or

24 (B) further or influence the political or public
25 interests, policies, or relations of a foreign adversary or a
26 subdivision of a foreign adversary.

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

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

3 (i) the ability to exercise control over
4 the company;

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

7 (iii) other rights or involvement in
8 controlling or participating in the decision-making of the company
9 beyond those available to a retail investor holding an equivalent
10 share of ownership; and

11 (B) for a person that is a privately held
12 company, that a foreign adversary has any share of ownership of the
13 company.

14 (b) A registrant who is required to register under Section
15 305.003(a)(3) may not receive or agree to receive direct or
16 indirect compensation, including intangible or in-kind
17 compensation, from a foreign adversary, a foreign adversary client,
18 or a foreign adversary political party on whose behalf the
19 registrant communicates directly with one or more members of the
20 legislative or executive branch to influence legislation or
21 administrative action.

22 (c) The attorney general may bring an action for injunctive
23 relief against a registrant who violates this section or is
24 threatening to violate this section. In an injunction issued under
25 this section, a court may include reasonable requirements to
26 prevent further violations of this section.

27 (d) In addition to injunctive relief under Subsection (c),

1 the attorney general may bring an action for civil penalties
2 against a registrant who violates this section. A civil penalty
3 assessed under this section must be in an amount not to exceed:

4 (1) \$10,000 for each violation; and

5 (2) the amount of any compensation the registrant
6 received in violation of this section.

7 (e) The attorney general may recover reasonable expenses
8 incurred in bringing an action under this section, including court
9 costs, reasonable attorney's fees, investigative costs, witness
10 fees, and deposition costs.

11 SECTION 3. The changes in law made by this Act apply only to
12 conduct requiring a person to register as a lobbyist or to
13 compensation received by a person required to register as a
14 lobbyist under Chapter 305, Government Code, that occurs or is
15 received on or after the effective date of this Act. Conduct that
16 occurs or compensation received before the effective date of this
17 Act is governed by the law in effect on the date the conduct
18 occurred or compensation was received, and the former law is
19 continued in effect for that purpose.

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

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 29, 2025

TO: Honorable Dustin Burrows, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB119 by Gerdes (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; providing a civil penalty.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill amends the Election Code related to the registration of certain lobbyists.

According to the Texas Ethics Commission, the bill would have no significant fiscal impact on the agency.

According to the Comptroller of Public Accounts, there would be no administrative cost to the agency and the fiscal impact cannot be estimated.

According to Office of the Attorney General, there would be no significant fiscal impact on the agency.

According to the Office of Court Administration, no significant fiscal impact to the state court system is anticipated.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 356 Texas Ethics Commission

LBB Staff: JMc, SD, WP, MGol, GP

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 23, 2025

TO: Honorable Bryan Hughes, Chair, Senate Committee on State Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB119 by Gerdes (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; providing a civil penalty.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill amends the Election Code related to the registration of certain lobbyists.

According to the Texas Ethics Commission, the bill would have no significant fiscal impact on the agency.

According to the Comptroller of Public Accounts, there would be no administrative cost to the agency and the fiscal impact cannot be estimated.

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Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 356 Texas Ethics Commission

LBB Staff: JMc, WP, MGol, GP

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 2, 2025

TO: Honorable Bryan Hughes, Chair, Senate Committee on State Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB119 by Gerdes (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.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill amends the Election Code related to the registration of certain lobbyists.

According to the Texas Ethics Commission, the bill would have no significant fiscal impact on the agency.

According to the Comptroller of Public Accounts, there would be no administrative cost to the agency and the fiscal impact cannot be estimated.

According to Office of the Attorney General, there would be no significant fiscal impact on the agency.

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Local Government Impact

No significant fiscal implication to units of local government is anticipated.

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LBB Staff: JMc, WP, MGol, GP

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

March 31, 2025

TO: Honorable Cole Hefner, Chair, House Committee on Homeland Security, Public Safety & Veterans' Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB119 by Gerdes (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.), **As Introduced**

No significant fiscal implication to the State is anticipated.

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According to the Texas Ethics Commission, the bill would have no significant fiscal impact on the agency.

According to the Comptroller of Public Accounts, there would be no administrative cost to the agency and the fiscal impact cannot be estimated.

According to Office of the Attorney General, there would be no significant fiscal impact on the agency.

According to the Office of Court Administration, no significant fiscal impact to the state court system is anticipated.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 356 Texas Ethics Commission

LBB Staff: JMc, MGol, GP