

House Bill 119
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

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:

SENATE VERSION (CS)

SECTION 1. Same as House version.

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:

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(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).

SENATE VERSION (CS)

(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":

(A) means:

(i) 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;

(ii) an agency or entity under the control of a country described by Subparagraph (i);

(iii) a person wholly or partly owned or operated by or subject to the control of a country described by Subparagraph (i);

(iv) a subsidiary or parent of a person described by Subparagraph (iii);

(v) a person organized under the laws of or that has its principal place of business in a country described by Subparagraph (i);

(vi) a subsidiary of a person described by Subparagraph (v); and

(vii) a foreign government, corporation, business, or other entity designated by the governor; and

(B) does not include a corporation, business, or other entity

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that is not designated by the governor under Paragraph (A)(vii) and that:

(i) is publicly traded in the United States on a national securities exchange; or

(ii) provides to the commission an attestation that each covered transaction to which the entity is a party has been reviewed and approved by the Committee on Foreign Investment in the United States under 50 U.S.C. Section 4565.

(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), other than a corporation, business, or other entity described by Subdivision (2)(B); 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.

(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.

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(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 305.003(a)(3) may not receive or agree 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) The attorney general may bring an action for injunctive relief against a registrant who violates this section or is threatening to violate this section. In an injunction issued under this section, a court may include reasonable requirements to prevent further violations of this section.

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

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

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

SENATE VERSION (CS)

(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 305.003(a)(3) may not receive or agree 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) The attorney general may bring an action for injunctive relief against a registrant who violates this section or is threatening to violate this section. In an injunction issued under this section, a court may include reasonable requirements to prevent further violations of this section.

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

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

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

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<u>(e) The attorney general may 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.</u>	<u>(e) The attorney general may 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.</u>	
SECTION 3. The changes in law made by this Act apply only to conduct requiring a person to register as a lobbyist or to compensation received by a person required to register as a lobbyist under Chapter 305, Government Code, that occurs or is received on or after the effective date of this Act. Conduct that occurs or compensation received before the effective date of this Act is governed by the law in effect on the date the conduct occurred or compensation was received, and the former law is continued in effect for that purpose.	SECTION 3. Same as House version.	
SECTION 4. This Act takes effect September 1, 2025.	SECTION 4. Same as House version.	