

By: Isaac

H.B. No. 2425

A BILL TO BE ENTITLED

AN ACT

relating to a prohibition on governmental contracts with Chinese companies.

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

SECTION 1. Subtitle F, Title 10, Government Code, is amended by adding Chapter 2278 to read as follows:

CHAPTER 2278. PROHIBITION ON CONTRACTS WITH CHINESE COMPANIES

Sec. 2278.001. DEFINITIONS. In this chapter:

(1) "Chinese company" means a company that is headquartered in China or is a wholly owned subsidiary or majority-owned subsidiary of a company headquartered in China, regardless of whether:

(A) the company's or its parent company's securities are publicly traded; or

(B) the company or its parent company is listed as a Chinese company on a public stock exchange.

(2) "Governmental entity" means a state agency or political subdivision of this state.

Sec. 2278.002. PROVISION REQUIRED IN CONTRACT. A governmental entity may not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it is not a Chinese company.

SECTION 2. Section 2278.002, Government Code, as added by this Act, applies only to a contract entered into on or after

1 January 1, 2024. A contract entered into before that date is
2 governed by the law in effect on the date the contract was entered
3 into, and the former law is continued in effect for that purpose.

4 SECTION 3. This Act takes effect September 1, 2023.