

By: Hefner, et al.

H.B. No. 41

Substitute the following for H.B. No. 41:

By: Hefner

C.S.H.B. No. 41

A BILL TO BE ENTITLED

AN ACT

relating to the acquisition or use of certain foreign equipment or services by a governmental entity.

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

SECTION 1. The heading to Chapter 423, Government Code, is amended to read as follows:

CHAPTER 423. ~~[USE OF]~~ UNMANNED AIRCRAFT

SECTION 2. Chapter 423, Government Code, is amended by designating Sections 423.001 through 423.009 as Subchapter A and adding a subchapter heading to read as follows:

SUBCHAPTER A. REGULATION OF UNMANNED AIRCRAFT

SECTION 3. Subchapter A, Chapter 423, Government Code, as added by this Act, is amended by adding Section 423.010 to read as follows:

Sec. 423.010. ACQUISITION OR USE OF CERTAIN FOREIGN UNMANNED AIRCRAFT OR RELATED EQUIPMENT OR SERVICES BY GOVERNMENTAL ENTITY PROHIBITED. (a) In this section:

(1) "Company" means a sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations, that exists to make a profit.

(2) "Designated country" means a country identified by

1 the United States director of national intelligence as a country
2 that poses a risk to the national security of the United States in
3 at least one of the three most recent Annual Threat Assessments of
4 the U.S. Intelligence Community issued pursuant to Section 108B,
5 National Security Act of 1947 (50 U.S.C. Section 3043b).

6 (3) "Governmental entity" means this state, a
7 political subdivision of this state, or an agency of this state or a
8 political subdivision of this state.

9 (b) Except as provided by Subsection (d), a governmental
10 entity may not acquire or use an unmanned aircraft, or related
11 equipment or services, produced or provided by a company that the
12 governmental entity knows or has reason to believe is:

13 (1) owned by or the majority of stock or other
14 ownership interest of the company is held or controlled by:

15 (A) the government of a designated country; or

16 (B) a company or other entity, including a
17 government entity, that is owned or controlled by the government of
18 a designated country; or

19 (2) headquartered in a designated country.

20 (c) The prohibition described by Subsection (b) applies
21 regardless of whether:

22 (1) the company's or its parent company's securities
23 are publicly traded; or

24 (2) the company or its parent company is listed on a
25 public stock exchange as a company of a designated country.

26 (d) A governmental entity that, before January 1, 2026,
27 acquired, or entered into a contract or agreement to acquire, an

unmanned aircraft or related equipment or services described by Subsection (b) may continue to use the unmanned aircraft or related equipment or services until January 1, 2031.

SECTION 4. Chapter 423, Government Code, is amended by adding Subchapter B to read as follows:

SUBCHAPTER B. GRANT PROGRAM

Sec. 423.051. DEFINITION. In this subchapter, "program" means the Law Enforcement Secure Unmanned Aircraft Grant Program administered under this subchapter.

Sec. 423.052. ESTABLISHMENT OF PROGRAM. (a) From money appropriated for the purpose, the office of the governor shall establish a grant program under this subchapter to provide grants to law enforcement agencies to replace working equipment prohibited under Section 423.010 that was actively in use by the law enforcement agencies immediately before January 1, 2026, and that has not reached its end of life before that date.

(b) The governor's office shall award grants under the program from money appropriated for purposes of the program.

Sec. 423.053. GRANT APPLICATION. (a) A law enforcement agency may apply for a grant from the governor's office in the form and manner prescribed by the governor's office.

(b) The grant application must include the number and types of unmanned aircraft or related equipment that require replacement.

Sec. 423.054. USE OF FUNDS. Grant recipients may use funds only to purchase replacement unmanned aircraft or related equipment that complies with Section 423.010.

Sec. 423.055. SURRENDER OF REPLACED UNMANNED AIRCRAFT OR

1 RELATED EQUIPMENT. To enable the designated entity to study or
2 dispose of the aircraft or related equipment, a grant recipient
3 promptly shall surrender to an entity designated by the governor's
4 office the prohibited unmanned aircraft or related equipment with
5 respect to which the grant was awarded.

6 Sec. 423.056. EXPIRATION OF SUBCHAPTER. This subchapter
7 expires on the second anniversary of the date that all money
8 appropriated for the grant program established under this
9 subchapter has been expended.

10 SECTION 5. Chapter 2054, Government Code, is amended by
11 adding Subchapter T to read as follows:

12 SUBCHAPTER T. MODEL SECURITY PLAN REGARDING CERTAIN FOREIGN
13 TELECOMMUNICATIONS OR VIDEO SURVEILLANCE TECHNOLOGIES

14 Sec. 2054.651. MODEL SECURITY PLAN FOR PROHIBITED OR
15 SUSPECT TECHNOLOGIES. (a) In this section, "company" and
16 "governmental entity" have the meanings assigned by Section
17 423.010.

18 (b) The department shall create and as necessary amend a
19 model security plan for prohibited or suspect technologies to
20 address a governmental entity's acquisition or use of
21 telecommunications or video surveillance equipment or services
22 that may present a risk to state security.

23 (c) The model security plan must list known companies that
24 produce or provide telecommunications or video surveillance
25 equipment or services that may present a risk to state security.
26 The list must include any foreign company that is:

27 (1) described by Section 423.010;

1 (2) prohibited from participating in federal
2 contracts under Section 889, John S. McCain National Defense
3 Authorization Act for Fiscal Year 2019 (Pub. L. No. 115-232), or
4 other federal law; or

5 (3) considered by the department to pose a risk to
6 state security.

7 (d) The department shall make the model security plan
8 created under this section available to governmental entities.

9 SECTION 6. Section 423.010(b), Government Code, as added by
10 this Act:

11 (1) applies to the acquisition of an unmanned aircraft
12 or related equipment or services on or after the effective date of
13 this Act, except that a contract or agreement to purchase or
14 otherwise acquire an unmanned aircraft or related equipment or
15 services described by that subsection that is entered into before
16 January 1, 2026, is unaffected by this Act; and

17 (2) except as otherwise provided by Section
18 423.010(d), Government Code, as added by this Act, applies to the
19 use of an unmanned aircraft or related equipment or services on or
20 after January 1, 2026, regardless of whether the unmanned aircraft
21 or related equipment or services were acquired before, on, or after
22 that date.

23 SECTION 7. Not later than December 1, 2025, the Department
24 of Information Resources shall create the initial model security
25 plan required by Section 2054.651, Government Code, as added by
26 this Act.

27 SECTION 8. This Act takes effect September 1, 2025.