

By: Hefner

H.B. No. 4865

A BILL TO BE ENTITLED

AN ACT

relating to identification of and sanctions against certain foreign actors.

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

SECTION 1. Title 7, Government Code, is amended by adding Chapter 795 to read as follows:

CHAPTER 795. TRACKING AND SANCTIONING CORRUPT FOREIGN ACTORS

Sec. 795.001. ANNUAL REPORT. (a) Not later than September 1 of each year, the secretary of state shall prepare a report that identifies each foreign actor the secretary determines to have knowingly engaged in actions that undermine the security and sovereignty of this state, or in significant corruption or obstruction of investigations into acts of corruption in the foreign actor's home country, including:

(1) corruption related to government contracts;
(2) bribery and extortion;
(3) the transfer or facilitation of the transfer of proceeds of corruption, including through money laundering;

(4) acts of violence, harassment, or intimidation directed at governmental and nongovernmental corruption investigators;

(5) engaging in or aiding and abetting drug trafficking, human trafficking, or corruption across the Texas-Mexico border; and

1 (6) facilitating the illegal entry of migrants into
2 this state from the United Mexican States.

3 (b) The secretary of state may obtain information necessary
4 to prepare a report required by Subsection (a) from:

5 (1) the Office of Foreign Assets Control within the
6 United States Department of the Treasury;

7 (2) the office of the attorney general;

8 (3) the Department of Public Safety;

9 (4) the comptroller; or

10 (5) any other state or federal agency having
11 information the secretary believes necessary to prepare the report.

12 (c) The secretary of state may notify an individual of the
13 secretary's intent to identify the individual in the annual report
14 and the possible ramifications of that identification.

15 (d) The secretary of state shall adopt rules necessary to
16 administer this section, including rules establishing a procedure
17 by which an individual identified in an annual report may seek
18 expungement of the individual's name from the report.

19 (e) The secretary of state shall publish the annual report
20 required by Subsection (a) on the secretary of state's public
21 Internet website.

22 Sec. 795.002. IMPOSITION OF SANCTIONS. With respect to
23 each foreign actor identified in a report required by Section
24 795.001(a):

25 (1) the comptroller shall prohibit the identified
26 individual and any business or other entity affiliated with the
27 individual from entering into contracts with any state agency or

1 political subdivision of this state;

2 (2) the secretary of state shall deny the application
3 for registration or seek revocation of the registration of any
4 foreign entity affiliated with the identified individual seeking to
5 transact business in this state and impose an appropriate civil
6 penalty as provided by Chapter 9, Business Organizations Code; and

7 (3) the governing board of an institution of higher
8 education, as defined by Section 61.003, Education Code, shall deny
9 admission to the foreign actor as provided by Section 51.811,
10 Education Code, or expel the foreign actor as provided by Section
11 51.9092, Education Code.

12 SECTION 2. Section 9.151(a), Business Organizations Code,
13 is amended to read as follows:

14 (a) A court may revoke the registration of a foreign filing
15 entity if, as a result of an action brought under Section 9.153, the
16 court finds that one or more of the following problems exist:

17 (1) the entity did not comply with a condition
18 precedent to the issuance of the entity's registration or an
19 amendment to the registration;

20 (2) the entity's registration or any amendment to the
21 entity's registration was fraudulently filed;

22 (3) a misrepresentation of a material matter was made
23 in an application, report, affidavit, or other document the entity
24 submitted under this code;

25 (4) the entity has continued to transact business
26 beyond the scope of the purpose or purposes expressed in the
27 entity's registration; ~~[or]~~

(5) public interest requires revocation because:

(A) the entity has been convicted of a felony or a high managerial agent of the entity has been convicted of a felony committed in the conduct of the entity's affairs;

(B) the entity or the high managerial agent has engaged in a persistent course of felonious conduct; and

(C) revocation is necessary to prevent future felonious conduct of the same character; or

(6) a high managerial agent of the entity is a foreign actor identified in the secretary of state's annual report of corrupt foreign actors published under Chapter 795, Government Code.

SECTION 3. Subchapter U, Chapter 51, Education Code, is amended by adding Section 51.811 to read as follows:

Sec. 51.811. PROHIBITION ON ADMISSION OF CERTAIN PROSPECTIVE STUDENTS CONNECTED WITH CORRUPT FOREIGN ACTIVITIES. Notwithstanding any other provision of this subchapter, Subchapter W, or other law, the governing board of an institution of higher education, as defined by Section 61.003, may not offer admission to an applicant for admission to the institution or for admission to any certificate or degree program, including a graduate, postgraduate, or professional degree program, offered by the institution, if the applicant is identified in the secretary of state's annual report of corrupt foreign actors published under Chapter 795, Government Code.

SECTION 4. Subchapter Z, Chapter 51, Education Code, is amended by adding Section 51.9092 to read as follows:

1 Sec. 51.9092. EXPULSION OF CERTAIN STUDENTS CONNECTED WITH
2 CORRUPT FOREIGN ACTIVITIES. The governing board of an institution
3 of higher education, as defined by Section [61.003](#), shall, at least
4 twice each year, consult the secretary of state's annual report of
5 corrupt foreign actors published under Chapter 795, Government
6 Code, and immediately expel any student who is identified in the
7 report.

8 SECTION 5. This Act takes effect September 1, 2025.