

## **BILL ANALYSIS**

Senate Research Center  
87R5845 ADM-D

H.B. 1397  
By: White (Hughes)  
State Affairs  
5/7/2021  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Recent elections have highlighted the need to protect election integrity and increase transparency regarding the storage of voted ballots. There have been calls for the state to require the disclosure of any entities that have an ownership interest in voting system equipment acquired by counties for use in elections. H.B. 1397 seeks to answer those calls by requiring a contract to acquire voting system equipment from a vendor to identify each person or entity that has an ownership interest in the vendor.

H.B. 1397 amends the Election Code to require a contract for a county to acquire voting system equipment from a vendor to identify each person or entity that has a five percent or greater ownership interest in the vendor and, if applicable, the vendor's parent company and each subsidiary or affiliate of the vendor. This requirement applies only to equipment acquired on or after September 1, 2021.

H.B. 1397 amends current law relating to the required disclosure of entities with an ownership interest in a vendor of voting system equipment.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter B, Chapter 123, Election Code, by adding Section 123.0311, as follows:

Sec. 123.0311. DISCLOSURE OF RELATED ENTITIES. (a) Requires that a contract under Section 123.031 (Acquisition of Equipment by County) to acquire equipment necessary for operating a voting system from a vendor identify each person or entity that has a five percent or greater ownership interest in the vendor; the vendor's parent company, if applicable; and each subsidiary or affiliate of the vendor, if applicable.

(b) Provides that this section applies only to equipment acquired on or after September 1, 2021.

SECTION 2. Effective date: September 1, 2021.