

## **BILL ANALYSIS**

Senate Research Center  
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C.S.H.B. 1739  
By: Romero, Jr. et al. (Creighton)  
Transportation  
5/17/2021  
Committee Report (Substituted)

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

It has been reported that intellectual property theft by certain countries and some foreign actors costs American companies untold billions of dollars per year. These bad actors with ties to intellectual property theft have in some cases been identified in court as such but continue to try to engage with local governments in Texas on different business endeavors.

H.B. 1739 amends the Transportation Code to prohibit a local government or a person operating an airport on behalf of the local government from entering into an airport infrastructure or equipment contract, as defined by the bill, with one of the following entities:

- an entity that a federal court determines has misappropriated intellectual property; or
- is controlled by, or receives subsidies from the government of a country that is identified under federal law as a priority foreign country; or is subject to monitoring by the Office of the United States Trade Representative in accordance with federal law.

H.B. 1739 seeks to protect the intellectual property of Texans by prohibiting local governments from entering into contracts for airport projects with certain entities with a history of such theft.

(Original Author's/Sponsor's Statement of Intent)

C.S.H.B. 1739 amends current law relating to certain contracts regarding airports operated by or on behalf of a local government.

### **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 Section 22.019, Transportation Code, to create an exception under Section 22.0191, to the authority of a local government to enter into a contract necessary to the execution of a power granted the local government and for a purpose provided by Chapter 22 (County and Municipal Airports).

SECTION 2. Amends Subchapter B, Chapter 22, Transportation Code, by adding Section 22.0191, as follows:

Sec. 22.0191. CERTAIN AIRPORT INFRASTRUCTURE OR EQUIPMENT CONTRACTS. (a) Provides that this section applies only to an airport infrastructure or equipment contract for the procurement of a passenger boarding bridge at an airport.

(b) Prohibits a local government or a person operating an airport on behalf of a local government from entering into an airport infrastructure or equipment contract with:

- (1) an entity that:

(A) a federal court determines has misappropriated intellectual property or trade secrets from another entity organized under the laws of:

(i) the United States;

(ii) this state or another state; or

(iii) a political subdivision of this state or another state; and

(B) is owned wholly or partly by, is controlled by, or receives subsidies from the government of China; or

(2) any entity that owns, controls, is owned or controlled by, is under common ownership with, or is a successor to an entity described by Subdivision (1).

(c) Requires that an airport infrastructure or equipment contract entered into by a local government or a person operating an airport on behalf of a local government contain a written statement by the entity with which the local government or person is contracting verifying that the entity is not an entity described by Subsection (b)(1) or (2).

(d) Provides that if the written statement required in an airport infrastructure or equipment contract under Subsection (c) is found to be false, the contract is voidable by the local government or person operating the airport.

SECTION 3. Provides that Section 22.0191, Transportation Code, as added by this Act, applies only to an airport infrastructure or equipment contract entered into, modified, or renewed on or after the effective date of this Act.

SECTION 4. Effective date: upon passage or September 1, 2021.