By:  Parker H.B. No. 4359

A BILL TO BE ENTITLED

AN ACT

relating to prohibiting contracts or other agreements with certain foreign-owned companies in connection with critical infrastructure in this state.

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

SECTION 1.  This Act may be cited as the Lone Star Infrastructure Protection Act.

SECTION 2.  Subtitle C, Title 5, Business & Commerce Code, is amended by adding Chapter 113 to read as follows:

CHAPTER 113. PROHIBITION ON AGREEMENTS WITH CERTAIN FOREIGN-OWNED COMPANIES IN CONNECTION WITH CRITICAL INFRASTRUCTURE

Sec. 113.001.  DEFINITIONS. In this chapter:

(1)  "Company" means a for-profit 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)  "Critical infrastructure" means a communication infrastructure system, cybersecurity system, electric grid, hazardous waste treatment system, or water treatment facility.

(3)  "Cybersecurity" means the measures taken to protect a computer, computer network, computer system, or other technology infrastructure against unauthorized use or access.

Sec. 113.002.  DESIGNATION OF THREAT TO CRITICAL INFRASTRUCTURE. (a) The governor may designate a country as a threat to critical infrastructure with the consultation of the public safety director of the Department of Public Safety.

(b)  The governor may consult the Homeland Security Council, as described by Chapter 421, Government Code, to assess a threat to critical infrastructure under this section.

Sec. 113.003.  PROHIBITED ACCESS TO CRITICAL INFRASTRUCTURE. (a) A business entity may not enter into an agreement relating to critical infrastructure in this state with a company:

(1)  if, under the agreement, the company would be able to directly or remotely access or control critical infrastructure in this state; and

(2)  if the company is:

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

(i)  individuals who are citizens of China, Iran, North Korea, Russia, or a country designated under Section 113.002; or

(ii)  a company or other entity, including a governmental entity, that is owned or controlled by citizens of or is directly controlled by the government of China, Iran, North Korea, Russia, or a country designated under Section 113.002; or

(B)  headquartered in China, Iran, North Korea, Russia, or a country designated under Section 113.002.

(b)  The prohibition described by Subsection (a) applies regardless of whether:

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

(2)  the company or its parent company is listed as a Chinese, Iranian, North Korean, or Russian company on a public stock exchange.

SECTION 3.  Subtitle F, Title 10, Government Code, is amended by adding Chapter 2274 to read as follows:

CHAPTER 2274. PROHIBITION ON CONTRACTS WITH CERTAIN FOREIGN-OWNED COMPANIES IN CONNECTION WITH CRITICAL INFRASTRUCTURE

Sec. 2274.0101.  DEFINITIONS. In this chapter:

(1)  "Company" means a for-profit 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)  "Critical infrastructure" means a communication infrastructure system, cybersecurity system, electric grid, hazardous waste treatment system, or water treatment facility.

(3)  "Cybersecurity" means the measures taken to protect a computer, computer network, computer system, or other technology infrastructure against unauthorized use or access.

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

Sec. 2274.0102.  PROHIBITED CONTRACTS. (a) A governmental entity may not enter into a contract or other agreement relating to critical infrastructure in this state with a company that is:

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

(A)  individuals who are citizens of China, Iran, North Korea, Russia, or a country designated under Section 113.002; or

(B)  a company or other entity, including a governmental entity, that is owned or controlled by citizens of or is directly controlled by the government of China, Iran, North Korea, Russia, or a country designated under Section 113.002; or

(2)  headquartered in China, Iran, North Korea, Russia, or a country designated under Section 113.002.

(b)  The prohibition described by Subsection (a) applies regardless of whether:

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

(2)  the company or its parent company is listed as a Chinese, Iranian, North Korean, or Russian company on a public stock exchange.

SECTION 4.  Chapter 113, Business & Commerce Code, as added by this Act, and Chapter 2274, Government Code, as added by this Act, apply to a contract or agreement entered into on or after the effective date of this Act.

SECTION 5.  This Act takes effect September 1, 2021.