

By: Hinojosa, et al.
(Herrero)

S.B. No. 275

Substitute the following for S.B. No. 275:

By: Middleton

C.S.S.B. No. 275

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the use of an entity name that falsely implies
3 governmental affiliation.

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

5 SECTION 1. Title 6, Civil Practice and Remedies Code, is
6 amended by adding Chapter 150C to read as follows:

7 CHAPTER 150C. ENTITY NAME FALSELY IMPLYING GOVERNMENTAL
8 AFFILIATION

9 Sec. 150C.001. DEFINITION. In this chapter, "governmental
10 unit" has the meaning assigned by Section 101.001.

11 Sec. 150C.002. FALSELY IMPLYING GOVERNMENTAL AFFILIATION.
12 (a) A governmental unit is entitled to enjoin another person's use
13 of an entity name that falsely implies governmental affiliation
14 with the governmental unit.

15 (b) In an action brought under this section, the
16 governmental unit is entitled to injunctive relief throughout the
17 state.

18 (c) If the court finds that the person against whom the
19 injunctive relief is sought wilfully intended to imply governmental
20 affiliation with the governmental unit, the court, in the court's
21 discretion, may award reasonable attorney's fees and court costs to
22 the governmental unit.

23 SECTION 2. Subchapter B, Chapter 5, Business Organizations
24 Code, is amended by adding Section 5.064 to read as follows:

1 Sec. 5.064. NAME FALSELY IMPLYING GOVERNMENTAL AFFILIATION
2 PROHIBITED. (a) A filing entity or a foreign filing entity may not
3 use a name in this state that falsely implies an affiliation with a
4 governmental entity.

5 (b) The submission of a filing instrument is an affirmation
6 by the organizer or by a managerial official named in the filing
7 instrument that the name provided as the name of the filing entity
8 does not falsely imply an affiliation with a governmental entity.

9 (c) The addition of a word, phrase, or abbreviation that is
10 required to be included in the name of a domestic or foreign filing
11 entity under the provisions of this chapter is not a factor when
12 determining whether a name violates Subsection (a).

13 (d) For purposes of this section, an entity name means:

14 (1) the name of a domestic filing entity, as evidenced
15 by its certificate of formation, as amended or restated; or

16 (2) in the case of a foreign filing entity, the name of
17 the foreign filing entity or the fictitious name of a foreign filing
18 entity, as evidenced by its application for registration or its
19 most recent amended registration.

20 (e) The secretary of state shall adopt rules and prescribe
21 procedures to implement this section.

22 SECTION 3. This Act takes effect September 1, 2021.