

By: Campbell, Parker

S.B. No. 552

A BILL TO BE ENTITLED

AN ACT

relating to prohibiting contracts or other agreements with certain foreign-owned companies in connection with agricultural land.

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

SECTION 1. Chapter 113, Business & Commerce Code, as added by Chapter 975 (S.B. 2116), Acts of the 87th Legislature, Regular Session, 2021, is amended to read as follows:

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

Sec. 113.001. DEFINITIONS. In this chapter:

(1) "Agricultural land" means land that qualifies for tax appraisal under Subchapter C or D, Chapter 23, Tax Code.

(1-a) "Company" means a 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

1 technology infrastructure against unauthorized use or access.

2 (4) "Designated country" means a country designated by  
3 the governor as a threat to critical infrastructure or agricultural  
4 land under Section 113.003.

5 Sec. 113.002. PROHIBITED ACCESS TO CRITICAL INFRASTRUCTURE  
6 AND AGRICULTURAL LAND. (a) A business entity or individual may not  
7 enter into an agreement relating to agricultural land in this state  
8 with individuals who are citizens of China, Iran, North Korea,  
9 Russia, or a designated country.

10 (b) A business entity may not enter into an agreement  
11 relating to critical infrastructure or agricultural land in this  
12 state with a company:

13 (1) if, under the agreement, the company would be  
14 granted direct or remote access to or control of critical  
15 infrastructure or agricultural land in this state, excluding access  
16 specifically allowed by the business entity for product warranty  
17 and support purposes; and

18 (2) if the business entity knows that the company is:

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

21 (i) individuals who are citizens of China,  
22 Iran, North Korea, Russia, or a designated country; or

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

27 (B) headquartered in China, Iran, North Korea,

1 Russia, or a designated country.

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

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

6 (2) the company or its parent company is listed on a  
7 public stock exchange as:

8 (A) a Chinese, Iranian, North Korean, or Russian  
9 company; or

10 (B) a company of a designated country.

11 Sec. 113.003. DESIGNATION OF COUNTRY AS THREAT TO CRITICAL  
12 INFRASTRUCTURE OR AGRICULTURAL LAND. (a) The governor, after  
13 consultation with the public safety director of the Department of  
14 Public Safety, may designate a country as a threat to critical  
15 infrastructure or agricultural land for purposes of this chapter.

16 (b) The governor shall consult the Homeland Security  
17 Council, established under Subchapter B, Chapter 421, Government  
18 Code, to assess a threat to critical infrastructure or agricultural  
19 land for purposes of making a designation under this section.

20 SECTION 2. This Act takes effect September 1, 2023.