

## **BILL ANALYSIS**

C.S.H.B. 366  
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State Affairs  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

The bill author has informed the committee of growing concerns regarding the use of altered media, including images, audio recordings, and video recordings, created with generative artificial intelligence (AI) technology in political advertising. This issue has emerged in part due to advances in AI technology, which make it easier to manipulate media to falsely represent an officeholder's or candidate's appearance, speech, or conduct, thus potentially misleading voters. C.S.H.B. 366 seeks to require a clear disclosure on political advertisements containing altered media, stating explicitly that the depicted image, audio recording, or video recording did not occur in reality. Under the bill, the Texas Ethics Commission would prescribe the form of the disclosure and a violation of the disclosure requirement would constitute a Class A misdemeanor for the person or party responsible for the political advertisement.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill expressly does one or more of the following: creates a criminal offense, increases the punishment for an existing criminal offense or category of offenses, or changes the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Ethics Commission in SECTION 1 of this bill.

### **ANALYSIS**

C.S.H.B. 366 amends the Election Code to prohibit a person from knowingly, with the intent to influence an election, causing to be published, distributed, or broadcast political advertising that includes an image, audio recording, or video recording of an officeholder's or candidate's appearance, speech, or conduct that did not occur in reality, including an image, audio recording, or video recording that has been altered using generative artificial intelligence technology, unless the advertising includes a disclosure from the person or another person on whose behalf the advertising is published, distributed, or broadcast indicating that the image, audio recording, or video recording did not occur in reality. The bill limits the applicability of its provisions to a person who meets any of the following criteria:

- is an officeholder, candidate, or political committee;
- makes expenditures during a reporting period that in the aggregate exceed \$100 for political advertising, other than an expense to cover the basic cost of hardware, messaging software, and bandwidth; or
- publishes, distributes, or broadcasts political advertising for which disclosure is required under the bill's provisions in return for consideration.

C.S.H.B. 366 requires the Texas Ethics Commission by rule to prescribe the form of the required disclosure, including the font, size, and color of the disclosure and to ensure that the form of the

disclosure is consistent with other required disclosures on political advertising. The bill creates a Class A misdemeanor offense for a person who violates the bill's provisions. The bill's provisions expressly do not impose liability on any of the following persons for political advertising published, distributed, or broadcast by or at the direction of another person:

- an interactive computer service, as defined by federal law relating to protection for private blocking and screening of offensive material;
- an Internet service provider, cloud service provider, cybersecurity service provider, communication service provider, or telecommunications network;
- a radio or television broadcaster, including a cable or satellite television network operator, programmer, or producer; or
- the owner or operator of a commercial sign, as defined by Transportation Code provisions relating to highway beautification on interstate and primary systems and certain roads.

### **EFFECTIVE DATE**

September 1, 2025.

### **COMPARISON OF INTRODUCED AND SUBSTITUTE**

While C.S.H.B. 366 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute includes a provision absent from the introduced limiting the applicability of the bill's provisions to a person who meets any of the following criteria:

- is an officeholder, candidate, or political committee;
- makes certain expenditures during a reporting period that in the aggregate exceed \$100 for political advertising; or
- publishes, distributes, or broadcasts political advertising for which disclosure is required under the bill's provisions in return for consideration.

The substitute revises the prohibition of the introduced against a person causing the applicable political advertising to be published, distributed, or broadcast unless the advertising includes the specified disclosure as follows:

- includes a specification that the person causing such political advertising to be published, distributed, or broadcast does so knowingly and with the intent to influence an election, which was not included in the introduced; and
- includes a specification that the required disclosure is from the person or another person on whose behalf the political advertising is published, distributed, or broadcast, which was not included in the introduced.

The substitute includes a provision absent from the introduced establishing that the bill's provisions expressly do not impose liability on certain specified persons for political advertising published, distributed, or broadcast by or at the direction of another person.