

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 1200
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State Affairs
4/4/2025
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 1200 amends the Civil Practice and Remedies Code to require disclosure of whether the claimant or claimant's attorney has received, directly or indirectly, funding or financial support from any individual, entity, or government affiliated with a sanctioned or embargoed nation, as well as the identity of all funding sources or financial support. A sanctioned or embargoed nation is defined as any foreign nation subject to sanctions or an embargo under the Arms Export Control Act, as determined by the U.S. Department of State.

This obligation to supplement the disclosures is continual during the pendency of the action.

The claimant must make a disclosure of this nature no later than the 10th day after the date the claimant or the claimant's attorney receives the money or identifies a source of funding or financial support. This disclosure must be made under oath and filed with the court.

A disclosure may not be delayed, excluded, or withheld for any reason, including because of a claim the information is privileged or otherwise exempted from disclosure. Additionally, a court may not grant a motion by a claimant to limit the disclosure of proprietary or confidential information related to money or sources of funding or financial support.

If the claimant does not comply, the court may stay the proceeding until the required disclosure is made or dismiss the action with prejudice on finding of willful noncompliance.

This chapter only applies to a civil action brought against a defense contractor and only to an action that is pending in a trial court on the effective date of this Act or that is filed on or after the effective date of the Act (immediately if it receives a vote of 2/3 of all the members elected to each house, or otherwise September 1, 2025).

S.B. 1200 promotes transparency in civil action against defense contractors, and promotes efficiency and effectiveness by eliminating disingenuous civil action.

Key Provisions:

S.B. 1200 requires those suing defense contractors to disclose their ties to adversarial nations if asked during discovery.

Committee Substitute:

- Changes the applicability of the chapter to now extend to actions regarding activities of U.S. defense contractors, not just against them.
- The definition of "defense contractor" is adjusted to be more precise so as to be more targeted and, thus, less susceptible to unintended consequences.

C.S.S.B. 1200 amends current law relating to the required disclosure of certain financial relationships in civil actions regarding the activities of United States defense contractors.

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 Subtitle B, Title 2, Civil Practice and Remedies Code, by adding Chapter 28, as follows:

CHAPTER 28. ACTIONS REGARDING ACTIVITIES OF UNITED STATES DEFENSE CONTRACTORS

Sec. 28.001. DEFINITIONS. Defines "defense contractor" and "sanctioned or embargoed nation."

Sec. 28.002. APPLICABILITY OF CHAPTER. Provides that this chapter applies only to a civil action regarding the activities of a defense contractor, regardless of whether the contractor is a party.

Sec. 28.003. REQUIRED DISCLOSURES RELATED TO FUNDING OR FUNDING SOURCES. (a) Requires a claimant, in a civil action subject to this chapter, to disclose, as part of initial disclosures required under Rule 194, Texas Rules of Civil Procedure:

(1) whether the claimant or the claimant's attorney has received, directly or indirectly, funding or financial support from any individual, entity, or government affiliated with a sanctioned or embargoed nation; and

(2) the identity of all sources of funding or financial support described by Subdivision (1).

(b) Provides that a claimant has a continuing obligation to supplement the disclosures required under this section during the pendency of the action with information on the following that occur after the initial disclosures are made:

(1) the claimant or the claimant's attorney receiving, directly or indirectly, money from an individual, entity, or government affiliated with a sanctioned or embargoed nation; and

(2) the claimant or the claimant's attorney identifying a source of funding or financial support described by Subsection (a)(1).

(c) Requires a claimant to make a disclosure required by this section not later than the 10th day after the date the claimant or the claimant's attorney receives the money or identifies a source of funding or financial support, as applicable.

(d) Requires that a disclosure required by this section be made under oath and filed with the court.

Sec. 28.004. WITHHOLDING DISCLOSURE PROHIBITED. (a) Prohibits a disclosure required by Section 28.003 from being delayed, excluded, or withheld for any reason, including because of a claim the information is privileged or otherwise exempted from disclosure.

(b) Prohibits a court from granting a motion by a claimant to limit the disclosure of propriety or confidential information related to money or sources of funding or financial support described by Section 28.003.

Sec. 28.005. SANCTIONS. Authorizes the court, in addition to any other sanctions the court is permitted to impose under law, if a claimant fails to comply with this chapter, to stay the proceeding until the required disclosure is made or dismiss the action with prejudice on a finding of wilful noncompliance.

SECTION 2. Provides that Chapter 28, Civil Practice and Remedies Code, as added by this Act, applies only to an action that is pending in a trial court on the effective date of this Act or that is filed on or after the effective date of this Act.

SECTION 3. Effective date: upon passage or September 1, 2025.