

AN ACT

relating to the required disclosure of certain financial relationships in civil actions regarding the activities of United States defense contractors.

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

SECTION 1. Subtitle B, Title 2, Civil Practice and Remedies Code, is amended by adding Chapter 28 to read as follows:

CHAPTER 28. ACTIONS REGARDING ACTIVITIES OF UNITED STATES DEFENSE CONTRACTORS

Sec. 28.001. DEFINITIONS. In this chapter:

(1) "Defense contractor" means any entity that is engaged in the production, manufacturing, or provision of defense articles or defense services to the United States Department of Defense under the International Traffic in Arms Regulations (22 C.F.R. Parts 120-130).

(2) "Sanctioned or embargoed nation" means any foreign nation subject to sanctions or an embargo under the Arms Export Control Act (22 U.S.C. Section 2751 et seq.), as determined by the United States Department of State.

Sec. 28.002. APPLICABILITY OF CHAPTER. 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) In a civil action subject to this chapter, a

1 claimant must disclose, as part of initial disclosures required
2 under Rule 194, Texas Rules of Civil Procedure:

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

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

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

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

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

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

23 (d) A disclosure required by this section must be made under
24 oath and filed with the court.

25 Sec. 28.004. WITHHOLDING DISCLOSURE PROHIBITED. (a) A
26 disclosure required by Section 28.003 may not be delayed, excluded,
27 or withheld for any reason, including because of a claim the

1 information is privileged or otherwise exempted from disclosure.

2 (b) A court may not grant a motion by a claimant to limit the
3 disclosure of proprietary or confidential information related to
4 money or sources of funding or financial support described by
5 Section 28.003.

6 Sec. 28.005. SANCTIONS. In addition to any other sanctions
7 the court is permitted to impose under law, if a claimant fails to
8 comply with this chapter, the court may:

9 (1) stay the proceeding until the required disclosure
10 is made; or

11 (2) dismiss the action with prejudice on a finding of
12 wilful noncompliance.

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

17 SECTION 3. This Act takes effect immediately if it receives
18 a vote of two-thirds of all the members elected to each house, as
19 provided by Section 39, Article III, Texas Constitution. If this
20 Act does not receive the vote necessary for immediate effect, this
21 Act takes effect September 1, 2025.

President of the Senate

Speaker of the House

I certify that H.B. No. 2884 was passed by the House on April 24, 2025, by the following vote: Yeas 138, Nays 5, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2884 was passed by the Senate on May 14, 2025, by the following vote: Yeas 30, Nays 1.

Secretary of the Senate

APPROVED: _____

Date

Governor