By: Mizani H.B. No. 1077

A BILL TO BE ENTITLED

AN ACT

relating to a prohibition on the use of foreign adversary vendors in campaigns for state or local office or on measures in this state and providing for civil enforcement.

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

SECTION 1. Section 253.004(b), Election Code, is amended to read as follows:

(b) This section does not apply to a political expenditure made or authorized in violation of Subchapter F. A violation of Section 253.008 alone does not constitute an offense under this section.

SECTION 2. Subchapter A, Chapter 253, Election Code, is amended by adding Section 253.008 to read as follows:

Sec. 253.008. USE OF FOREIGN ADVERSARY CAMPAIGN VENDOR PROHIBITED. (a) In this section:

(1) "Campaign purchaser" means a candidate, officeholder, political committee, political party, or person required to report a direct campaign expenditure under Chapter 254. The term includes a person acting as an agent of a campaign purchaser for the expenditure or contract at issue.

(2) "Campaign goods or services" means goods or services procured for a campaign for nomination or election to a state or local public office in this state or for or against a measure submitted or proposed to be submitted to voters in this

state. The term includes campaign consulting, advertising and advertising placement, printing of campaign materials, voter outreach, fundraising, processing contributions, and acquiring, processing, transmitting, hosting, or storing nonpublic campaign data.

(3) "Control" means the direct or indirect power to direct the management or policies of a person, whether through ownership, contract, or another arrangement.

(4) "Foreign adversary" means a foreign government or foreign nongovernment person designated under 15 C.F.R. Section 791.4(a).

(5) "Foreign adversary vendor" means:

(A) a foreign adversary or an agency or instrumentality of a foreign adversary;

(B) an entity organized under the laws of, or with its principal place of business in, a country or territory whose government is a foreign adversary;

(C) an individual domiciled in a country or territory whose government is a foreign adversary, other than a citizen or national of the United States or an individual lawfully admitted for permanent residence in the United States; or

(D) a person directly or indirectly controlled or majority owned, individually or in the aggregate, by one or more persons described by Paragraphs (A), (B), or (C), or acting as an agent of such a person in supplying campaign goods or services.

(b) A campaign purchaser may not knowingly contract with, retain, or make or authorize a campaign expenditure to a foreign

adversary vendor, directly or through an intermediary, for campaign goods or services. A campaign purchaser may not knowingly use or authorize use of a foreign adversary vendor as a subcontractor to perform campaign-specific services or to obtain access to nonpublic campaign data.

(c) A retail purchase from a vendor that is not a foreign adversary vendor is not prohibited solely because a foreign adversary vendor manufactured a generally available product or supplied a component of it, if the foreign adversary vendor does not provide campaign-specific services or obtain access to nonpublic campaign data in connection with the purchase.

(d) A campaign purchaser may rely in good faith on a vendor's signed certification that the vendor and any subcontractor performing campaign-specific services or receiving access to nonpublic campaign data under the contract are not foreign adversary vendors. A campaign purchaser may not rely on a certification if the purchaser knows or has reason to know it is materially inaccurate. The purchaser shall preserve a certification relied on under this subsection as a record of the related expenditure under Section 254.001 or, for an expenditure not reportable under Chapter 254, for two years after the later of the end of the contract or final payment to the vendor.

(e) This section does not apply to a contract or expenditure to the extent it relates to a campaign for nomination or election to federal office.

(f) The commission shall publish a model vendor certification and maintain on its Internet website a current list

of the foreign adversaries described by Subsection (a)(4). The commission may adopt rules to administer this section.

(g) A violation of this section is subject to a civil penalty under Section 571.173, Government Code.

SECTION 3. The changes in law made by this Act apply only to a contract entered into, renewed, extended, or materially amended on or after the effective date of this Act or to a purchase for which a legal obligation is first incurred on or after that date. The former law is continued in effect for a payment or performance required by a binding contract entered into before the effective date of this Act, until the contract is renewed, extended, or materially amended.

SECTION 4. This Act takes effect September 1, 2027.