

BILL ANALYSIS

C.S.H.B. 4024
By: Romero, Jr.
Transportation
Committee Report (Substituted)

BACKGROUND AND PURPOSE

It has been suggested that the theft of intellectual property and trade secrets has taken center stage in recent years as a critical global issue and there are concerns regarding the increased effects of such theft on Texas companies by agents of foreign entities that have a history of such theft. C.S.H.B. 4024 seeks to protect the intellectual property and trade secrets of Texans by prohibiting local governments from entering into contracts for airport projects with certain companies with a history of such theft.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 4024 amends the Transportation Code to prohibit a local government or a person operating an airport on behalf of the local government from entering into an airport infrastructure or equipment contract, as defined by the bill, with one of the following entities:

- an entity that a federal court determines has misappropriated intellectual property or trade secrets from another entity organized under federal, state, or local law and is owned wholly or partly by, is controlled by, or receives subsidies from the government of a country that:
 - is identified under federal law as a priority foreign country; or
 - is subject to monitoring by the Office of the U.S. Trade Representative in accordance with federal law; and
- any entity that owns or controls, is owned or controlled by, is under common ownership with, or is a successor to an entity meeting such criteria.

C.S.H.B. 4024 requires an airport infrastructure or equipment contract for goods or services entered into by a local government or a person operating an airport on behalf of a local government to contain a written statement by the entity with which the local government or person is contracting verifying that the entity is not an entity with which the local government or person is prohibited from entering into a contract under the bill's provisions.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2019.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 4024 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute narrows the scope of the prohibition by making it applicable to an entity that is the subject of an applicable federal court determination and that is owned by, is controlled by, or receives subsidies from the government of an applicable country instead of making it applicable to an entity that meets either of those criteria.

The substitute includes a requirement for an airport infrastructure or equipment contract for goods or services entered into by a local government or a person operating an airport on behalf of a local government to contain a written statement verifying that the entity with which the local government or person is contracting is not an entity with which the local government or person is prohibited from entering into a contract under the bill's provisions.