

BILL ANALYSIS

Senate Research Center
87R1472 AJA-F

S.B. 275
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Administrative Code (TAC) currently prohibits registration with the secretary of state of an entity whose name falsely implies governmental affiliation. However, current law does not provide a path to reverse or eliminate a registration that was mistakenly allowed to register an entity in violation of Rule §79.33 of the TAC.

S.B. 275 would provide a remedy for these situations by authorizing a governmental unit to enjoin another person's use of an entity name that might falsely imply affiliation with that governmental unit. If a court finds the entity willfully intended to imply governmental affiliation with the governmental unit, the court may award damages up to three times the entity's profits and the governmental unit's damages. A court may award reasonable attorney's fees to the governmental unit.

As proposed, S.B. 275 amends current law relating to the use of an entity name that falsely implies governmental affiliation.

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 Title 6, Civil Practice and Remedies Code, by adding Chapter 150C, as follows:

CHAPTER 150C. ENTITY NAME FALSELY IMPLYING GOVERNMENTAL AFFILIATION

Sec. 150C.001. DEFINITION. Defines "governmental unit."

Sec. 150C.002. FALSELY IMPLYING GOVERNMENTAL AFFILIATION. (a) Entitles a governmental unit to enjoin another person's use of an entity name that might falsely imply governmental affiliation with the governmental unit.

(b) Provides that, in an action brought under this section, the governmental unit is entitled to injunctive relief throughout the state

(c) Authorizes the court, if the court finds that the person against whom the injunctive relief is sought willfully intended to imply governmental affiliation with the governmental unit, in the court's discretion, to enter judgment in an amount not to exceed three times the amount of the entity's profits and the governmental unit's damages and to award reasonable attorney's fees to the governmental unit.

SECTION 2. Effective date: September 1, 2021.