

BUSINESS AND COMMERCE CODE

TITLE 5. REGULATION OF BUSINESSES AND SERVICES

SUBTITLE C. BUSINESS OPERATIONS

CHAPTER 117. PROHIBITION ON AGREEMENTS WITH CERTAIN FOREIGN-OWNED  
COMPANIES IN CONNECTION WITH CRITICAL INFRASTRUCTURE

Sec. 117.001. DEFINITIONS. In this chapter:

(1) "Company" means a sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations, that exists to make a profit.

(2) "Critical infrastructure" means a communication infrastructure system, cybersecurity system, electric grid, hazardous waste treatment system, or water treatment facility.

(3) "Cybersecurity" means the measures taken to protect a computer, computer network, computer system, or other technology infrastructure against unauthorized use or access.

(4) "Designated country" means a country designated by the governor as a threat to critical infrastructure under Section [117.003](#).

(5) "Affiliate," with respect to a company entering into an agreement in which the critical infrastructure is electric grid equipment, has the meaning assigned by the protocols of the independent organization certified under Section [39.151](#), Utilities Code, for the ERCOT power region.

Added by Acts 2021, 87th Leg., R.S., Ch. 975 (S.B. [2116](#)), Sec. 2, eff. June 18, 2021.

Amended by:

Acts 2023, 88th Leg., R.S., Ch. 464 (S.B. [2013](#)), Sec. 1, eff. June 9, 2023.

Redesignated from Business and Commerce Code, Chapter [113](#) by Acts 2023, 88th Leg., R.S., Ch. 768 (H.B. [4595](#)), Sec. [24.001](#)(2), eff. September 1, 2023.

Amended by:

Acts 2023, 88th Leg., R.S., Ch. 768 (H.B. [4595](#)), Sec.

24.002(3), eff. September 1, 2023.

Sec. 117.002. PROHIBITED ACCESS TO CRITICAL INFRASTRUCTURE.

(a) A business entity may not enter into an agreement relating to critical infrastructure in this state with a company:

(1) if, under the agreement, the company would be granted direct or remote access to or control of critical infrastructure in this state, excluding access specifically allowed by the business entity for product warranty and support purposes; and

(2) if the business entity knows that the company is:

(A) owned by or the majority of stock or other ownership interest of the company is held or controlled by:

(i) individuals who are citizens of China, Iran, North Korea, Russia, or a designated country; or

(ii) a company or other entity, including a governmental entity, that is owned or controlled by citizens of or is directly controlled by the government of China, Iran, North Korea, Russia, or a designated country; or

(B) headquartered in China, Iran, North Korea, Russia, or a designated country.

(b) The prohibition described by Subsection (a) applies regardless of whether:

(1) the company's or its parent company's securities are publicly traded; or

(2) the company or its parent company is listed on a public stock exchange as:

(A) a Chinese, Iranian, North Korean, or Russian company; or

(B) a company of a designated country.

Added by Acts 2021, 87th Leg., R.S., Ch. 975 (S.B. [2116](#)), Sec. 2, eff. June 18, 2021.

Redesignated from Business and Commerce Code, Chapter [113](#) by Acts 2023, 88th Leg., R.S., Ch. 768 (H.B. [4595](#)), Sec. 24.001(2), eff. September 1, 2023.

Sec. 117.003. DESIGNATION OF COUNTRY AS THREAT TO CRITICAL

INFRASTRUCTURE. (a) The governor, after consultation with the public safety director of the Department of Public Safety, may designate a country as a threat to critical infrastructure for purposes of this chapter.

(b) The governor shall consult the Homeland Security Council, established under Subchapter B, Chapter 421, Government Code, to assess a threat to critical infrastructure for purposes of making a designation under this section.

Added by Acts 2021, 87th Leg., R.S., Ch. 975 (S.B. 2116), Sec. 2, eff. June 18, 2021.

Redesignated from Business and Commerce Code, Chapter 113 by Acts 2023, 88th Leg., R.S., Ch. 768 (H.B. 4595), Sec. 24.001(2), eff. September 1, 2023.