

## **BILL ANALYSIS**

Senate Research Center  
87R1472 AJA-F

H.B. 1493  
By: Herrero (Hinojosa)  
State Affairs  
5/19/2021  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The Administrative Code currently prohibits registration with the secretary of state (SOS) 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 in violation of Rule Section 79.33, Administrative Code.

H.B. 1493 would provide a remedy for these situations. The bill would entitle an applicable governmental unit to enjoin another person's use of an entity name that falsely implies governmental affiliation. In addition, the bill would enable SOS, upon the written request of a governmental entity and after consultation with the attorney general, to determine within two years after SOS's acceptance of a filing instrument that a filing entity's name falsely implies an affiliation with a governmental entity.

H.B. 1493 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 wilfully 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.