

1-1 By: Hughes S.B. No. 2429
1-2 (In the Senate - Filed March 13, 2025; March 25, 2025, read
1-3 first time and referred to Committee on State Affairs;
1-4 April 7, 2025, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 10, Nays 0; April 7, 2025,
1-6 sent to printer.)

1-7	COMMITTEE VOTE				
1-8		Yea	Nay	Absent	PNV
1-9	Hughes	X			
1-10	Paxton	X			
1-11	Bettencourt	X			
1-12	Birdwell	X			
1-13	Hall	X			
1-14	Hinojosa of Nueces	X			
1-15	Middleton	X			
1-16	Parker	X			
1-17	Perry			X	
1-18	Schwertner	X			
1-19	Zaffirini	X			

1-20 COMMITTEE SUBSTITUTE FOR S.B. No. 2429 By: Hughes

1-21 A BILL TO BE ENTITLED
1-22 AN ACT

1-23 relating to genetic information security for residents of this
1-24 state; providing a civil penalty; providing a private cause of
1-25 action.
1-26 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-27 SECTION 1. Subtitle H, Title 2, Health and Safety Code, is
1-28 amended by adding Chapter 174 to read as follows:
1-29 CHAPTER 174. SECURITY OF GENETIC INFORMATION
1-30 Sec. 174.001. SHORT TITLE. This chapter may be cited as the
1-31 Texas Genomic Act of 2025.
1-32 Sec. 174.002. DEFINITIONS. In this chapter:
1-33 (1) "Company" means a sole proprietorship,
1-34 organization, association, corporation, partnership, joint
1-35 venture, limited partnership, limited liability partnership, or
1-36 limited liability company that exists to make a profit. The term
1-37 includes a wholly owned subsidiary, majority-owned subsidiary,
1-38 parent company, or affiliate of those entities or business
1-39 associations.
1-40 (2) "Domicile" means the country in which:
1-41 (A) a company or nonprofit organization is
1-42 formed, incorporated, or registered and headquartered;
1-43 (B) a company's or nonprofit organization's
1-44 affairs are primarily conducted; or
1-45 (C) the majority of the company's ownership
1-46 shares are held.
1-47 (3) "Foreign adversary" has the meaning assigned by 15
1-48 C.F.R. Section 791.4(a).
1-49 (4) "Genome sequencer" means any device or platform
1-50 used to conduct genome sequencing, resequencing, or isolation or
1-51 other genome research.
1-52 (5) "Genome sequencing" means any method used to
1-53 determine the identity and order of nucleotide bases in the human
1-54 genome.
1-55 (6) "Human genome" means the set of DNA found in human
1-56 cells.
1-57 (7) "Medical facility" means a facility licensed or
1-58 registered by a state or federal agency to provide health care
1-59 services that receives any state funding, including pass-through
1-60 federal money provided to a state agency for grant awards.

(8) "Software" means computer programs and related equipment used for genome sequencing or the operation, control, analysis, research, or other functions of genome sequencers.

Sec. 174.003. APPLICABILITY. This chapter applies to a medical facility, research facility, company, or nonprofit organization that conducts research on or testing of genome sequencing or the human genome in this state.

Sec. 174.004. PURPOSE AND LEGISLATIVE POLICY. (a) The purpose of this chapter is to ensure that a medical facility, research facility, company, or nonprofit organization subject to this chapter and acting on behalf of a foreign adversary does not gain access to the genetic information of residents of this state.

(b) The policy of this state is to:

(1) oppose the collection and analysis of genomic information by a foreign adversary or for use by a foreign adversary; and

(2) support sanctions the United States Department of Commerce or the United States Department of Defense imposes on a medical facility, research facility, company, or nonprofit organization engaged in the collection and analysis of genomic information for use by a foreign adversary.

Sec. 174.005. PROHIBITED USE OF CERTAIN GENOME SEQUENCERS AND GENOME SEQUENCING TECHNOLOGIES. A medical facility, research facility, company, or nonprofit organization subject to this chapter may not use a genome sequencer or software produced by or on behalf of:

(1) a foreign adversary;

(2) a state-owned enterprise of a foreign adversary;

(3) a company or nonprofit organization domiciled within the borders of a country that is a foreign adversary; or

(4) an owned or controlled subsidiary or affiliate of a company or nonprofit organization domiciled within the borders of a country that is a foreign adversary.

Sec. 174.006. PROHIBITED SALE OF GENOMIC INFORMATION IN BANKRUPTCY OR REORGANIZATION. A medical facility, research facility, company, or nonprofit organization subject to this chapter may not sell or otherwise transfer genomic sequencing data of residents of this state as part of a bankruptcy proceeding or pursuant to a plan of reorganization under Chapter 11 of the United States Bankruptcy Code (11 U.S.C. Section 1101 et seq.) to:

(1) a foreign adversary;

(2) a state-owned enterprise of a foreign adversary;

(3) a company or nonprofit organization domiciled within the borders of a country that is a foreign adversary; or

(4) an owned or controlled subsidiary or affiliate of a company or nonprofit organization domiciled within the borders of a country that is a foreign adversary.

Sec. 174.007. REQUIREMENTS FOR GENOMIC INFORMATION STORAGE. (a) A medical facility, research facility, company, or nonprofit organization subject to this chapter shall store all genome sequencing data of residents of this state only at a location in the United States.

(b) A medical facility, research facility, company, or nonprofit organization subject to this chapter that stores genome sequencing data of residents of this state, including storage of genome sequencing data through a contract with a third-party data storage company, shall ensure the security of the genome sequencing data using reasonable encryption methods, restriction on access, and other cybersecurity best practices.

(c) Except as authorized by the attorney general under Subsection (d), a medical facility, research facility, company, or nonprofit organization subject to this chapter shall ensure genome sequencing data of residents of this state, other than open data, is inaccessible to any person located outside of the United States.

(d) A medical facility, research facility, company, or nonprofit organization subject to this chapter that stores genome sequencing data of residents of this state may apply to the attorney general in the form and manner prescribed by attorney general rule to allow remote access to genome sequencing data of residents of

this state by persons located outside of the United States. The attorney general may allow remote access to genome sequencing data of residents of this state only if the attorney general determines that:

(1) remote access is necessary for the facility, company, or organization to perform its functions;

(2) appropriate security safeguards are implemented for remote access; and

(3) remote access is not available to any person located within the borders of a country that is a foreign adversary.

Sec. 174.008. REQUIRED ANNUAL CERTIFICATION OF COMPLIANCE.

(a) Not later than December 31 of each year, a medical facility, research facility, company, or nonprofit organization subject to this chapter shall certify to the attorney general that the facility, company, or organization is in compliance with this chapter.

(b) An attorney representing a medical facility, research facility, company, or nonprofit organization subject to this chapter shall submit the certification required under Subsection (a).

Sec. 174.009. INVESTIGATIVE AUTHORITY OF ATTORNEY GENERAL.

(a) The attorney general may investigate an allegation of a violation of this chapter.

(b) Any person may notify the attorney general of a violation or potential violation of this chapter.

Sec. 174.010. CIVIL PENALTY. (a) A medical facility, research facility, company, or nonprofit organization that violates this chapter is liable to this state for a civil penalty of \$10,000 for each violation.

(b) The attorney general may bring an action to recover the civil penalty imposed under this section.

(c) An action under this section may be brought in a district court in:

(1) Travis County; or

(2) a county in which any part of the violation occurs.

(d) The attorney general shall deposit a civil penalty collected under this section in the state treasury to the credit of the general revenue fund.

(e) The attorney general may recover reasonable expenses incurred in obtaining a civil penalty under this section, including court costs, reasonable attorney's fees, investigative costs, witness fees, and deposition expenses.

Sec. 174.011. PRIVATE CAUSE OF ACTION. (a) A resident of this state who is a patient or research subject of a medical facility, research facility, company, or nonprofit organization subject to this chapter and who is harmed by the storage or use of the patient's or subject's genome sequencing data in violation of this chapter may bring an action against the facility, company, or organization that violated this chapter and is entitled to obtain:

(1) the greater of:

(A) actual damages; or

(B) statutory damages in an amount not to exceed \$5,000 for each violation; and

(2) court costs and reasonable attorney's fees.

(b) Sections 41.003 and 41.004, Civil Practice and Remedies Code, do not apply to an action brought under this section.

SECTION 2. (a) Except as provided by Subsection (b) of this section, the change in law made by this Act applies only to a cause of action that accrues on or after the effective date of this Act. A cause of action that accrues before the effective date of this Act is governed by the law in effect on the date the cause of action accrued, and the former law is continued in effect for that purpose.

(b) Section 174.006, Health and Safety Code, as added by this Act, applies only to a bankruptcy filing that occurs on or after the effective date of this Act.

SECTION 3. This Act takes effect September 1, 2025.

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