

BILL SUMMARY
2nd Session of the 59th Legislature

Bill No.:	HB1151
Version:	FULLPCS1
Request Number:	10260
Author:	Speaker McCall
Date:	2/22/2024
Impact:	Budget Neutral

Research Analysis

The proposed committee substitute to HB 1151 prohibits a covered company from entering into contracts with a state agency or political subdivision. A *covered company* is defined in the measure as a: state-owned enterprise of a foreign adversary; company domiciled within a foreign adversary; foreign adversary company; or federally banned corporation. The measure does allow state agencies to enter into contracts with a covered company if there is no other reasonable option, the contract is preapproved by OMES, or if not procuring the good would pose a greater threat to the state. Additionally, the measure prohibits companies that have had business operations involving contracts with a military entity of any foreign adversary, state-owned enterprise of a foreign adversary, or federally banned corporations within five years, from submitting a bid for a state contract.

State agencies and political subdivisions are to require companies to certify they are not a covered company before bidding on a contract and that they have not had business operations involving contracts with a military entity of any foreign adversary, state-owned enterprise of a foreign adversary, political party of a foreign adversary, or any federally banned corporation within five years. Bidders are required to disclose whether or not they have had business operations involving contracts with any foreign adversary, state-owned enterprise of a foreign adversary, or a company domiciled within a foreign adversary within 24 months. Companies providing false certification or disclosures are subject to civil penalties, contract termination, and will be ineligible to bid on state contracts for five years.

Prepared By: Keana Swadley

Fiscal Analysis

HB 1151 in its current form creates the Procurement Protection Act of 2024. The measure establishes a certain standard related to procurement. The implementation of such standard is not anticipated to have a material budgetary impact to agency costs associated to procurement, the measure is expected to be budget neutral.

Prepared By: John McPhetridge, House Fiscal Director

Other Considerations

None.

