

SECOND REGULAR SESSION

HOUSE BILL NO. 1699

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE SPARKS.

3063H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To amend chapter 34, RSMo, by adding thereto one new section relating to state contracts with certain companies.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 34, RSMo, is amended by adding thereto one new section, to be known as section 34.615, to read as follows:

34.615. 1. As used in this section, the following terms shall mean:

(1) "Company", a for-profit 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. For the purposes of this section, "company" does not include sole proprietorships;

(2) "Economic boycott", when a company, without an ordinary business purpose, refuses to deal with, terminates business activities with, or otherwise takes any commercial action that is intended to penalize, inflict economic harm on, limit commercial relations with, or change or limit the activities of another company because the company, without violating controlling federal or state law:

(a) Engages in the exploration, production, utilization, transportation, sale, or manufacturing of, fossil fuel-based energy, timber, mining, or agriculture;

(b) Engages in, facilitates, or supports the manufacture, import, distribution, sale, or lawful use of firearms, ammunition, or component parts and accessories of firearms and ammunition;

EXPLANATION — Matter enclosed in bold-faced brackets ~~thus~~ in the above bill is not enacted and is intended to be omitted from the law. Matter in bold-face type in the above bill is proposed language.

17 (c) Does not meet, is not expected to meet, or does not commit to meet
18 environmental standards or disclosure criteria, in particular to eliminate, reduce, offset,
19 or disclose greenhouse gas emissions;

20 (d) Does not meet, is not expected to meet, or does not commit to meet corporate
21 board or employment, composition, compensation, or disclosure criteria that
22 incorporates characteristics protected in this state under the Missouri human rights act;

23 (e) Does not facilitate, is not expected to facilitate, or does not commit to
24 facilitate access to abortion, sex or gender change, or transgender surgery; or

25 (f) Does business with a company described in paragraphs (a) through (e) of this
26 paragraph;

27 (3) "Governmental entity", a state agency or political subdivision of this state;

28 (4) "Ordinary business purpose", an action by a company that does not include
29 any purpose to further social, political, or ideological interests. A company may
30 reasonably be determined to have taken an action with a purpose to further social,
31 political, or ideological interests based upon evidence indicating such a purpose
32 including, but not limited to:

33 (a) Branding, advertising, statements, explanations, reports, letters to clients,
34 communications with portfolio companies, statements of principles, or commitments; or

35 (b) Participation in, affiliation with, or status as a signatory to any coalition,
36 initiative, joint statement of principles, or agreement.

37 2. This section shall apply only to a contract that:

38 (1) Is between a governmental entity and a company with ten or more full-time
39 employees; and

40 (2) Is valued at fifty thousand dollars or more over the term of the contract that
41 is to be paid wholly or partially from public funds of the governmental entity, provided
42 that the provisions of this subsection shall apply separately to all companies in a
43 multiple party contract.

44 3. Except as provided by subsection 4 of this section, a governmental entity shall
45 not enter into a contract with a company for goods or services unless the contract
46 contains a written verification from the company that it:

47 (1) Does not currently engage in any economic boycotts; and

48 (2) Will not engage in any economic boycotts during the term of the contract.

49 4. Subsection 3 shall not apply to a governmental entity that determines the
50 requirements of subsection 3 that:

51 (1) Are inconsistent with the governmental entity's constitutional or statutory
52 duties related to the issuance, incurrence, or management of debt obligations or the
53 deposit, custody, management, borrowing, or investment of funds; or

54 **(2) Prevent the governmental entity from obtaining the supplies or services to be**
55 **provided in an economically practicable manner.**

56 **5. No party shall take action to penalize or threaten to penalize any financial**
57 **institution for compliance with this section. Any party taking such action shall have**
58 **caused harm to this state, including by interfering with the state's sovereign interests in**
59 **administering its programs and with the state's commercial relationships with its**
60 **financial institutions.**

61 **6. This section or any contract subject to this section may be enforced by the**
62 **attorney general or a county prosecutor. If the attorney general or a county prosecutor**
63 **has reasonable cause to believe that a company has engaged in, is engaging in, or is**
64 **about to engage in a violation of this section, he or she may:**

65 **(1) Require such company to file a statement or report in writing, under oath, as**
66 **to all the facts and circumstances concerning the violation and such other data and**
67 **information as he or she may deem necessary;**

68 **(2) Examine under oath any person in connection with the violation;**

69 **(3) Examine any record, book, document, account, or paper as he or she may**
70 **deem necessary; and**

71 **(4) Pursuant to an order of the circuit court of Cole County, impound any**
72 **record, book, document, account, paper, or sample or material relating to such violation**
73 **and retain such item until the completion of all proceedings under this section or in the**
74 **circuit court of Cole County.**

75 **7. In addition to any other remedies available at law or equity, a company that**
76 **enters into a contract with a government entity containing any verifications required by**
77 **subsection 3 of this section and engages in any economic boycott during the term of the**
78 **contract shall be obligated to pay damage to the state in an amount equal to three times**
79 **all moneys paid to the company under the contract.**

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