

SENATE BILL NO. 923

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR EIGEL.

4355S.01I

KRISTINA MARTIN, Secretary

AN ACT

To repeal section 105.689, RSMo, and to enact in lieu thereof three new sections relating to protecting public assets from adversarial foreign interests.

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

Section A. Section 105.689, RSMo, is repealed and three
2 new sections enacted in lieu thereof, to be known as sections
3 34.1200, 105.689, and 386.215, to read as follows:

**34.1200. 1. This section shall be known and may be
2 cited as the "Procurement Protection Act of 2024".**

**3 2. For purposes of this section, the following terms
4 mean:**

**5 (1) "Company", any sole proprietorship, organization,
6 association, corporation, partnership, joint venture,
7 limited partnership, limited liability partnership, limited
8 liability company, or other entity or business association,
9 including all wholly owned subsidiaries, majority owned
10 subsidiaries, parent companies, or affiliates of such
11 entities or business associations, that exists for the
12 purpose of making profit;**

**13 (2) "Domicile", either the country in which a company
14 is registered, where the company's affairs are primarily
15 completed, or where the majority of ownership share is held;**

**16 (3) "Federally banned corporation", any company or
17 designated equipment banned on or after August 28, 2024, by
18 a federal authority. This shall include bans resulting**

19 from, but not limited to, the following federal agencies and
20 acts:

21 (a) The Federal Communications Commission, including
22 but not limited to, any equipment or service deemed to pose
23 a threat to national security identified on the Covered List
24 developed pursuant to 47 CFR 1.50002, and published by the
25 Public Safety and Homeland Security Bureau of the Federal
26 Communications Commission pursuant to the federal Secure and
27 Trust Communications Networks Act of 2019, 47 U.S.C. 1601,
28 et. seq.;

29 (b) The United States Department of Commerce;

30 (c) The United States Cybersecurity and Infrastructure
31 Security Agency;

32 (d) The Federal Acquisition Security Council; and

33 (e) Section 889 of the John S. McCain National Defense
34 Authorization Act (NDAA) for Fiscal Year 2019 (P.L. 115-232);

35 (4) "Foreign adversary", the People's Republic of
36 China, the Russian Federation, the Islamic Republic of Iran,
37 the Democratic People's Republic of Korea, the Republic of
38 Cuba, the Venezuelan regime of Nicolás Maduro, or the Syrian
39 Arab Republic, including any agent of or any other entity
40 under significant control of such foreign country of
41 concern, or any other entity designated by the governor in
42 consultation with the director of the department of the
43 national guard;

44 (5) "Foreign adversary company", any company owned or
45 controlled, in whole or in part, by the government of a
46 foreign adversary, by individuals acting in official
47 government capacities of a foreign adversary, by a company
48 domiciled in a foreign adversary, or by any company
49 otherwise under control of a foreign adversary.

50 3. (1) Except as provided under subdivision (4) of
51 this subsection, the following covered companies shall be
52 ineligible to bid on or submit a proposal for a contract to
53 provide goods or services to a state agency or any political
54 subdivision of the state:

55 (a) A state-owned enterprise of a foreign adversary;

56 (b) A company domiciled within the People's Republic
57 of China;

58 (c) A foreign adversary company;

59 (d) A federally banned corporation; or

60 (e) Any company that offers to provide goods or
61 services to a state agency or a political subdivision of the
62 state that are manufactured or produced by an entity
63 described in paragraphs (a) through (d) of this subdivision.

64 (2) A state agency or any political subdivision of the
65 state shall require a company that submits a bid or proposal
66 with respect to a contract for goods or services to certify
67 that the company is not a covered company described under
68 subdivision (1) of this subsection.

69 (3) If the state agency or political subdivision
70 determines that a company has submitted a false
71 certification under subdivision (2) of this subsection:

72 (a) The company shall be liable for a civil penalty in
73 an amount that is equal to the greater of two hundred fifty
74 thousand dollars, or twice the amount of the contract for
75 which a bid or proposal was submitted;

76 (b) The state agency or political subdivision shall
77 terminate the contract with the company; and

78 (c) The company shall be ineligible to bid on a
79 contract to provide goods or services to a state agency or
80 any political subdivision of the state for sixty months.

81 (4) Notwithstanding subdivision (1) of this subsection
82 to the contrary, a state agency or political subdivision may
83 enter into a contract for goods manufactured by a covered
84 company if:

85 (a) There is no other reasonable option for procuring
86 the good;

87 (b) The contract is pre-approved by the commissioner
88 of administration; and

89 (c) Not procuring this good would pose a greater
90 threat to the state or political subdivision than the threat
91 associated with the good itself.

92 4. (1) Each bid or offer submitted for a contract to
93 provide goods or services to a state agency or any political
94 subdivision of the state shall include a disclosure
95 indicating whether the bidder, offeror, or any of its
96 corporate parents or subsidiaries, within the twenty-four
97 months preceding the submission of the bid or offer had
98 business operations that involved contracts with or
99 provision of supplies or services from or to any covered
100 company described in subdivision (1) of subsection 3 of this
101 section.

102 (2) A bid or offer that does not include the
103 disclosure required by subdivision (1) of this subsection
104 may be given a period after the bid or offer is submitted to
105 cure the non-disclosure. The state agency or political
106 subdivision may consider the disclosure when evaluating the
107 bid or offer or awarding the contract.

108 (3) Each contracting entity shall provide the
109 commissioner of administration with the name of each entity
110 disclosed under subdivision (2) of this subsection as doing
111 business or having done business in or with a covered

112 company described in subdivision (1) of subsection 3 of this
113 section.

114 5. (1) Any company seeking to submit a bid or offer
115 for a contract to provide goods or services to a state
116 agency or any political subdivision of the state shall
117 submit a certification with the bid declaring that the
118 bidder, offeror, or any of its corporate parents or
119 subsidiaries, has not within the sixty months before
120 submission of the bid or offer, had business operations that
121 involved contracts with or provision of goods or services to
122 any military entity of any foreign adversary, any state
123 owned enterprise of a foreign adversary, any political party
124 of a foreign adversary, or any federally banned corporation.

125 (2) No bid or offer shall be submitted for a contract
126 to provide goods or services to a state agency or any
127 political subdivision of the state if the bidder, offeror,
128 or any of its corporate parents or subsidiaries, within the
129 sixty months before submission of the bid or offer, had
130 business operations that involved contracts with or
131 provision of goods or services to any military entity of any
132 foreign adversary, any state owned enterprise of a foreign
133 adversary, or any federally banned corporation.

134 (3) Each contracting entity shall provide the
135 commissioner of administration with the name of each entity
136 disclosed under this subsection as doing business or having
137 done business in or with a military entity of a foreign
138 adversary, a state-owned enterprise of a foreign adversary,
139 or a company domiciled within a foreign adversary.

140 (4) If the state agency or political subdivision
141 determines that a company has submitted a false
142 certification under subdivision (1) of this subsection:

143 (a) The company shall be liable for a civil penalty in
144 an amount that is equal to the greater of two hundred fifty
145 thousand dollars or twice the amount of the contract for
146 which a bid or proposal was submitted;

147 (b) The state agency or political subdivision shall
148 terminate the contract with the company; and

149 (c) The company shall be ineligible to bid on a
150 contract to provide goods or services to a state agency or
151 any political subdivision of the state for sixty months.

105.689. 1. Except as provided in subsection 2 of
2 this section, nothing in sections 105.687 to 105.689 shall
3 prevent any investment fiduciary from making investments in
4 any company which does business in any country with which
5 the United States maintains diplomatic relations.

6 2. A system or an investment fiduciary on behalf of a
7 system shall not invest funds of a system in any stocks,
8 bonds, or any direct holdings of a covered company described
9 in subdivision (1) of subsection 3 of section 34.1200.

386.215. 1. This section shall be known and may be
2 cited as the "Secure Telecommunications Act of 2024".

3 2. For purposes of this section, the following terms
4 mean:

5 (1) "Critical telecommunications infrastructure", all
6 physical broadband infrastructure and equipment that
7 supports the transmission of information of a user's
8 choosing, regardless of the transmission medium or
9 technology employed, that connects to a network that permits
10 the end user to engage in communications, including, but not
11 limited to, service provided directly to:

12 (a) The public; or

13 (b) Such classes of uses as to be effectively
14 available directly to the public;

15 (2) "Domicile", either the country in which a company
16 is registered, where the company's affairs are primarily
17 completed, or where the majority of ownership share is held;

18 (3) "Federally banned corporation", any company or
19 designated equipment banned on or after August 28, 2024, by
20 a federal authority. This shall include bans resulting
21 from, but not limited to, the following federal agencies and
22 acts:

23 (a) The Federal Communications Commission, including
24 but not limited to, any equipment or service deemed to pose
25 a threat to national security identified on the Covered List
26 developed pursuant to 47 CFR 1.50002, and published by the
27 Public Safety and Homeland Security Bureau of the Federal
28 Communications Commission pursuant to the federal Secure and
29 Trust Communications Networks Act of 2019, 47 U.S.C. 1601,
30 et. seq.;

31 (b) The United States Department of Commerce;

32 (c) The federal Cybersecurity and Infrastructure
33 Security Agency;

34 (d) The Federal Acquisition Security Council; and

35 (e) Section 889 of the John S. McCain National Defense
36 Authorization Act (NDAA) for Fiscal Year 2019 (P.L. 115-232);

37 (4) "Foreign adversary", the People's Republic of
38 China, the Russian Federation, the Islamic Republic of Iran,
39 the Democratic People's Republic of Korea, the Republic of
40 Cuba, the Venezuelan regime of Nicolás Maduro, or the Syrian
41 Arab Republic, including any agent of or any other entity
42 under significant control of such foreign country of
43 concern, or any other entity designated by the governor in
44 consultation with the director of the department of the
45 national guard;

46 (5) "Telecommunications provider", any corporation,
47 public or private, that operates any system supporting the
48 transmission of information of a user's choosing regardless
49 of the transmission medium or technology employed, that
50 connects to a network that permits the end user to engage in
51 communications, including, but not limited to, service
52 provided directly:

53 (a) To the public; or

54 (b) To such classes of uses as to be effectively
55 available directly to the public.

56 3. Beginning August 28, 2024, all critical
57 telecommunications infrastructure located within or serving
58 the state of Missouri shall not be constructed using any of
59 the following:

60 (1) Equipment manufactured by a federally banned
61 corporation;

62 (2) Equipment banned at the federal level; or

63 (3) Equipment manufactured in or by, including any
64 equipment whose critical or necessary components are
65 manufactured in or by, a foreign adversary, a state-owned
66 enterprise of a foreign adversary, or a company domiciled
67 within a foreign adversary.

68 4. All critical telecommunications infrastructure in
69 operation within or serving the state of Missouri, including
70 any critical telecommunications infrastructure that is not
71 permanently disabled, shall have all equipment prohibited by
72 subsection 3 of this section removed and replaced with
73 equipment that is not prohibited by such subsection.

74 5. Any telecommunications provider that removes,
75 discontinues, or replaces any telecommunications equipment
76 or service prohibited by this section shall not be required
77 to obtain any additional permits from the public service

78 commission, any other state agency, or any political
79 subdivision for the removal, discontinuance, or replacement
80 of such equipment or service as long as the public service
81 commission, state agency, or political subdivision is
82 properly notified of the necessary replacements and the
83 replacement equipment or service is similar to the existing
84 equipment or service.

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