

SENATE BILL NO. 471

BY SENATOR MILLIGAN AND REPRESENTATIVE MIKE JOHNSON

1 AN ACT

2 To enact R.S. 38:2191.1, relative to public contracts; to provide for foreign sources of funds
3 for gifts and contracts involving state agencies and political subdivisions; to provide
4 for reporting of sources of monies used as gifts or grants or in contracts involving
5 state agencies and political subdivisions; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 38:2191.1 is hereby enacted to read as follows:

8 **§2191.1. Foreign gifts and contracts**

9 **A. As used in this Section, the following terms shall have the following**
10 **meanings unless the context clearly indicates otherwise:**

11 **(1) "Contract" means any agreement for the direct benefit or use of any**
12 **party to the agreement, including an agreement for the sale of commodities or**
13 **services.**

14 **(2) "Foreign country of concern" means a country or nation determined**
15 **by the appropriate federal agency to be a potential source of intelligence**
16 **gathering or espionage activities detrimental to the United States.**

17 **(3) "Foreign government" means the government of any country, nation,**
18 **or group of nations, or any province or other political subdivision of any**
19 **country or nation, other than the government of the United States and its states**
20 **and political subdivisions, including any agent of the foreign government.**

21 **(4) "Foreign source" means any of the following:**

22 **(a) A foreign government or an agency of a foreign government.**

23 **(b) A legal entity, governmental or otherwise, created solely under the**
24 **laws of a foreign state or states.**

25 **(c) An individual who is not a citizen or a national of the United States**

1 or of a territory or protectorate of the United States.

2 (d) An agent, including a subsidiary or an affiliate of a foreign legal
3 entity, acting on behalf of any source defined in Subparagraphs (a), (b), or (c)
4 of this Paragraph.

5 (5) "Gift" means any transfer of money or property from one entity to
6 another without compensation.

7 (6) "Grant" means a transfer of money for a specified purpose, including
8 a conditional gift.

9 (7) "Interest" in an entity means any direct or indirect investment in or
10 loan to the entity valued at five percent or more of the entity's net worth or any
11 form of direct or indirect control exerting similar or greater influence on the
12 governance of the entity.

13 (8) "State agency" means any agency or unit of state government created
14 or established by law.

15 B.(1) Any state agency or political subdivision that receives directly or
16 indirectly any gift or grant having a value of fifty thousand dollars or more
17 from a foreign source shall disclose the gift or grant to the division of
18 administration within thirty days after its receipt.

19 (2) Disclosures required by this Subsection shall include the date and
20 amount of the gift or grant and the country of residence or domicile of the
21 foreign source.

22 C.(1) Any entity that applies to a state agency or political subdivision for
23 a grant or proposes a contract having a value of one hundred thousand dollars
24 or more shall disclose the following information to the agency or political
25 subdivision:

26 (a) Any current or prior interest in any contract received from a foreign
27 country of concern having a value of fifty thousand dollars or more and whether
28 the interest in the contract existed or was in force at any time during the
29 previous five years.

30 (b) Any grant or gift received from a foreign country of concern having

1 a value of fifty thousand dollars or more and whether the grant or gift was
2 received or in force at any time during the previous five years.

3 (2) The disclosure required by this Subsection shall include the
4 following:

5 (a) The name and mailing address of the disclosing entity.

6 (b) The amount of the contract, grant, or gift or the value of the interest
7 in the contract, grant, or gift disclosed.

8 (c) The applicable foreign country of concern.

9 (d) The date the contract was executed, and the date of termination of
10 the contract or interest, if applicable.

11 (e) The date of receipt of the grant or gift.

12 (f) The name of the agent or controlled entity that is the source or
13 interest holder.

14 (3) The division of administration may publish the disclosure
15 information online, and if published online, the information is considered
16 disclosed to every state agency and political subdivision.

17 (4) Once a disclosure is filed and during the term of the grant or
18 contract, the entity shall revise the disclosure within thirty days after executing
19 a contract or after receipt of a grant or gift from a foreign country of concern
20 or within thirty days after any interest is acquired in the entity by a foreign
21 country of concern.

22 D. Any entity identified as being subject to any governmental sanctions,
23 embargoes, or other restrictions, shall be included on the online procurement
24 system. The division of administration shall ensure that purchasers using the
25 online procurement system may easily access all disclosures made by entities
26 participating in the system.

27 E.(1) After receipt of a referral from the compliance officer of an agency
28 or political subdivision compliance officer or a sworn complaint based upon
29 substantive information and reasonable belief, the division of administration is
30 to investigate any allegation of a violation of this Section.

1 (2) The division of administration may request records relevant to any
 2 reasonable suspicion of a violation of this Section, and an entity shall provide
 3 the records within thirty days after the request or at a later time agreed to by
 4 the division of administration.

5 F. The division of administration may adopt rules necessary to carry out
 6 its responsibilities under this Section, which rules may identify the federal
 7 agencies to be consulted and the procedure for notifying a vendor of the
 8 disclosure requirements under this Section.

9 Section 2. This Act shall become effective on January 1, 2023.

 PRESIDENT OF THE SENATE

 SPEAKER OF THE HOUSE OF REPRESENTATIVES

 GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____