

## CHAPTER 58

( SB 143 )

AN ACT relating to state contracts and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔SECTION 1. A NEW SECTION OF KRS CHAPTER 45A IS CREATED TO READ AS FOLLOWS:

(1) *As used in this section:*

(a) *"Boycott" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with:*

1. *A jurisdiction with which Kentucky can enjoy open trade; or*
2. *A person or entity doing business with a jurisdiction with which Kentucky can enjoy open trade; but*

*"boycott" does not mean an action taken for bona fide business or economic reasons or that is specifically required by federal or state law; and*

(b) *"Jurisdiction with which Kentucky can enjoy open trade" means:*

1. *Any World Trade Organization member; and*
2. *Any jurisdiction with which the United States has free trade or other agreements aimed at ensuring open and nondiscriminatory trade relations.*

(2) *A governmental body shall not enter into a contract under this chapter with a contractor unless the contract includes a representation by the contractor that the contractor is not currently engaged in, and will not for the duration of the contract engage in, the boycott of a person or an entity based in or doing business with a jurisdiction with which Kentucky can enjoy open trade. This subsection shall not apply to a:*

(a) *Contract with a value of less than one hundred thousand dollars (\$100,000); or*

(b) *A contractor who:*

1. *Is an individual; or*
2. *Employs five (5) or fewer employees.*

(3) *A governmental body may terminate a contract with a contractor for:*

(a) *A false representation made under subsection (2) of this section; or*

(b) *Engaging in a boycott at the time of entering into the contract or during the duration of the contract.*

(4) *A request for proposal, invitation to bid, or other document issued by a governmental body with the intent of soliciting responses for the potential award of a contract shall include notice of the requirements under this section.*

(5) *The secretary shall promulgate administrative regulations under KRS Chapter 13A for the administration of this section.*

➔Section 2. Whereas, the Governor issued Executive Order 2018-905 on November 15, 2018, directing the Finance and Administration Cabinet to begin implementing the provisions of this Act beginning January 1, 2019, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

**Signed by Governor March 25, 2019.**