

1 AN ACT relating to state contracts and declaring an emergency.

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

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

5 (1) *As used in this section:*

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

9 1. *A jurisdiction with which Kentucky can enjoy open trade; or*

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

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

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

15 1. *Any World Trade Organization member; and*

16 2. *Any jurisdiction with which the United States has free trade or other*
17 *agreements aimed at ensuring open and nondiscriminatory trade*
18 *relations.*

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

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

25 1. *A false representation made under subsection (2) of this section; or*

26 2. *Engaging in a boycott at the time of entering into the contract or during the*
27 *duration of the contract.*

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

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

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