

The House Committee on Governmental Affairs offers the following substitute to SB 346:

A BILL TO BE ENTITLED
AN ACT

1 To amend Part 1 of Article 3 of Chapter 5 of Title 50 of the Official Code of Georgia
2 Annotated, relating to general authority, duties, and procedure of the Department of
3 Administrative Services, so as to prohibit companies owned or operated by China to bid on
4 or submit a proposal for a state contract; to provide for definitions; to provide for
5 certifications; to provide penalties for false certifications; to provide for related matters; to
6 repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Part 1 of Article 3 of Chapter 5 of Title 50 of the Official Code of Georgia Annotated,
10 relating to general authority, duties, and procedure of the Department of Administrative
11 Services, is amended by adding a new Code section to read as follows:

12 "50-5-84.1.

13 (a) As used in this Code section, the term:

14 (1) 'Company' means any sole proprietorship, organization, association, corporation,
15 partnership, joint venture, limited partnership, limited liability partnership, limited
16 liability company, or other entity or business association, including all wholly owned

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subsidiaries, majority owned subsidiaries, parent companies, or affiliates of such entities or business associations, that exists for the purpose of making profit.

(2) 'Government of China' means the People's Republic of China led by the Chinese Communist Party.

(3) 'Scrutinized company' means:

(A) Any company owned or operated by the Government of China or in which such government has a minority or limited ownership interest; or

(B) Any Chinese Government affiliated entity, but excluding any minority or noncontrolling interest acquired through a publicly traded stock exchange located in the United States.

(b) A scrutinized company shall be ineligible to, and shall not, bid on or submit a proposal, directly or indirectly through a third party, for a contract with any public or private entity that directly or indirectly receives state funding.

(c) A state agency shall require a company that submits a bid or proposal with respect to a contract for goods or services to certify that the company is not a scrutinized company.

(d) If the Department of Administrative Services determines that a company has submitted a false certification under subsection (c) of this Code section:

(1) The company shall be liable for a civil penalty in an amount that is equal to the greater of \$250,000.00 or twice the amount of the contract for which a bid or proposal was submitted;

(2) The state agency or the Department of Administrative Services shall terminate the contract with the company; and

(3) The company shall be ineligible to, and shall not, bid on a state contract."

SECTION 2.

All laws and parts of laws in conflict with this Act are repealed.