

# SENATE BILL NO. 588

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR HUDSON.

2260S.01H

KRISTINA MARTIN, Secretary

## AN ACT

To amend chapter 34, RSMo, by adding thereto one new section relating to public contracts with certain companies.

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

Section A. Chapter 34, RSMo, is amended by adding thereto  
2 one new section, to be known as section 34.615, to read as  
3 follows:

**34.615. 1. As used in this section, the following  
2 terms shall mean:**

3 (1) "Company", a for-profit organization, association,  
4 corporation, partnership, joint venture, limited  
5 partnership, limited liability partnership, or limited  
6 liability company, including a wholly owned subsidiary,  
7 majority-owned subsidiary, parent company, or affiliate of  
8 those entities or business associations. For the purposes  
9 of this section, "company" does not include sole  
10 proprietorships;

11 (2) "Economic boycott", when a company, without an  
12 ordinary business purpose, refuses to deal with, terminates  
13 business activities with, or otherwise takes any commercial  
14 action that is intended to penalize, inflict economic harm  
15 on, limit commercial relations with, or change or limit the  
16 activities of another company because the company, without  
17 violating controlling federal or state law:

18           (a) Engages in the exploration, production,  
19 utilization, transportation, sale, or manufacturing of,  
20 fossil fuel-based energy, timber, mining, or agriculture;

21           (b) Engages in, facilitates, or supports the  
22 manufacture, import, distribution, sale, or lawful use of  
23 firearms, ammunition, or component parts and accessories of  
24 firearms and ammunition;

25           (c) Does not meet, is not expected to meet, or does  
26 not commit to meet environmental standards or disclosure  
27 criteria, in particular to eliminate, reduce, offset, or  
28 disclose greenhouse gas emissions;

29           (d) Does not meet, is not expected to meet, or does  
30 not commit to meet corporate board or employment,  
31 composition, compensation, or disclosure criteria that  
32 incorporates characteristics protected pursuant to chapter  
33 213;

34           (e) Does not facilitate, is not expected to  
35 facilitate, or does not commit to facilitate access to  
36 abortion, sex or gender change, or transgender surgery; or

37           (f) Does business with a company described in  
38 paragraphs (a) through (e) of this paragraph;

39           (3) "Governmental entity", any department, agency,  
40 division, board, or commission of the state of Missouri;

41           (4) "Ordinary business purpose", an action by a  
42 company that does not include any purpose to further social,  
43 political, or ideological interests. A company may  
44 reasonably be determined to have taken an action with a  
45 purpose to further social, political, or ideological  
46 interests based upon evidence indicating such a purpose  
47 including, but not limited to:

48           (a) Branding, advertising, statements, explanations,  
49 reports, letters to clients, communications with portfolio  
50 companies, statements of principles, or commitments; or

51           (b) Participation in, affiliation with, or status as a  
52 signatory to any coalition, initiative, joint statement of  
53 principles, or agreement.

54           2. This section shall apply only to a contract that:

55           (1) Is between a governmental entity and a company  
56 with ten or more full-time employees; and

57           (2) Is valued at fifty thousand dollars or more over  
58 the term of the contract that is to be paid wholly or  
59 partially from public funds of the governmental entity,  
60 provided that the provisions of this subsection shall apply  
61 separately to all companies in a multiple party contract.

62           3. Except as provided by subsection 4 of this section,  
63 a governmental entity shall not enter into a contract with a  
64 company for goods or services unless the contract contains a  
65 written verification from the company that it:

66           (1) Does not currently engage in any economic  
67 boycotts; and

68           (2) Will not engage in any economic boycotts during  
69 the term of the contract.

70           4. The provision of subsection 3 of this section shall  
71 not apply to a governmental entity that determines the  
72 requirements of subsection 3 of this section:

73           (1) Are inconsistent with the governmental entity's  
74 constitutional or statutory duties related to the issuance,  
75 incurrence, or management of debt obligations or the  
76 deposit, custody, management, borrowing, or investment of  
77 funds; or

78           (2) Prevent the governmental entity from obtaining the  
79 supplies or services to be provided in an economically  
80 practicable manner.

81           5. No party shall take action to penalize or threaten  
82 to penalize any financial institution for compliance with  
83 this section. Any party taking such action shall have  
84 caused harm to this state, including by interfering with the  
85 state's sovereign interests in administering its programs  
86 and with the state's commercial relationships with its  
87 financial institutions.

88           6. This section or any contract subject to this  
89 section may be enforced by the attorney general. If the  
90 attorney general has reasonable cause to believe that a  
91 company has engaged in, is engaging in, or is about to  
92 engage in a violation of this section, he or she may:

93           (1) Require such company to file a statement or report  
94 in writing, under oath, as to all the facts and  
95 circumstances concerning the violation and such other data  
96 and information as he or she may deem necessary;

97           (2) Examine under oath any person in connection with  
98 the violation;

99           (3) Examine any record, book, document, account, or  
100 paper as he or she may deem necessary; and

101           (4) Pursuant to an order of the circuit court of Cole  
102 County, impound any record, book, document, account, paper,  
103 or sample or material relating to such violation and retain  
104 such item until the completion of all proceedings under this  
105 section or in the circuit court of Cole County.

106           7. In addition to any other remedies available at law  
107 or equity, a company that enters into a contract with a  
108 government entity containing any verifications required by  
109 subsection 3 of this section and engages in any economic

110 boycott during the term of the contract shall be obligated  
111 to pay damages to the state in an amount equal to three  
112 times all moneys paid to the company under the contract.

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