

## Committee on Governmental Oversight and Accountability

### **CS/CS/HB 1331 — Commodities Produced by Forced Labor**

by State Affairs Committee; Constitutional Rights, Rule of Law & Government Operations Subcommittee; and Rep. Yeager and others (CS/CS/SB 7042 by Fiscal Policy Committee; Appropriations Committee on Agriculture, Environment, and General Government; Governmental Oversight and Accountability Committee; and Senator Rodriguez)

The bill prohibits the state from contracting with companies for commodities produced, in whole or in part, by forced labor. The bill requires the Department of Management Services (DMS) to create and maintain a forced labor vendor list (list) that identifies companies that are disqualified from public contracting and purchasing processes for 365 days. The DMS must publish an updated version of the list quarterly and post the list on its website. The bill provides that, once a company is placed on the list, it may not submit a bid, proposal, or reply to an agency, or enter into or renew a contract to provide goods or services to an agency. Agencies may not accept a bid, proposal, or reply from, or enter into or renew any contract with, a company that is on the list.

The bill requires all competitive solicitations and written contracts to include a statement informing companies of the requirements related to forced labor, and contracts entered into or renewed on or after July 1, 2024, must contain a provision allowing the agency to terminate the contract if the company is placed on the forced labor vendor list. Upon receiving reasonable and credible information that a company submitted a false certification or provided an agency with a commodity produced, wholly or in part, by forced labor, the DMS must investigate and determine whether good cause exists to place the company on the list and whether such placement is in the public interest. If so, the bill requires the DMS to provide the company with written notification and provides hearing procedures and time requirements.

A company that submits a false certification that the commodities it offered to the agency had not been produced, in whole or in part, by forced labor and is subsequently placed on the forced labor vendor list must be assessed a fine by the DMS. The bill provides that placement on the list does not affect any rights or obligations under any contract, franchise, or other binding agreement which predates such placement.

If approved by the Governor, or allowed to become law without the Governor's signature, these provisions take effect July 1, 2024.

*Vote: Senate 40-0; House 113-0*