

House Bill 113 (AS PASSED HOUSE AND SENATE)

By: Representatives McDonald III of the 26<sup>th</sup>, Hong of the 103<sup>rd</sup>, Gambill of the 15<sup>th</sup>, Wade of the 9<sup>th</sup>, Powell of the 33<sup>rd</sup>, and others

A BILL TO BE ENTITLED  
AN ACT

1 To amend Title 50 of the Official Code of Georgia Annotated, relating to state government,  
2 so as to prohibit the state or its agencies from purchasing goods from certain foreign  
3 countries or related entities; to provide for a list of such goods; to provide for penalties; to  
4 provide for definitions; to repeal provisions related to contracting with China; to provide for  
5 powers of the Georgia Technology Authority; to provide for related matters; to repeal  
6 conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Title 50 of the Official Code of Georgia Annotated, relating to state government, is amended  
10 in Part 1 of Article 3 of Chapter 5, relating to general authority, duties, and procedure, by  
11 revising Code Section 50-5-84.1, relating to contracting with companies owned by Russia  
12 or Belarus, as follows:

13 "50-5-84.1.

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

15 (1) ~~'Company' means any sole proprietorship, organization, association, corporation,~~  
16 ~~partnership, joint venture, limited partnership, limited liability partnership, limited~~

liability company, or other entity or business association, including all wholly owned subsidiaries, majority owned subsidiaries, parent companies, or affiliates of such entities or business associations, that exists for the purpose of making profit 'Concerned goods' means goods, including component parts, services, and technology, produced by a foreign company of concern deemed by the Georgia Technology Authority to pose a security threat to this state or its residents.

(2) ~~'Government of Belarus' means the Republic of Belarus~~ 'Foreign company of concern' means a sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company, or other entity or business association, including all wholly owned subsidiaries, majority owned subsidiaries, parent companies, or affiliates of such entities or business associations, that exists for the purpose of making profit and is:

(A) Organized or incorporated in a foreign country of concern;

(B) Owned or controlled by the government, a political subdivision, or a political party of a foreign country of concern; or

(C) Has a principal place of business in a foreign country of concern.

(3) ~~'Government of Russia' means the Russian Federation~~ 'Foreign country of concern' means a country whose government is designated as a foreign adversary by the United States Secretary of Commerce pursuant to 15 C.F.R. Section 791.4.

(4) ~~'Scrutinized company' means any company owned or operated by the government of Russia or the government of Belarus.~~

(b) ~~A scrutinized company shall be ineligible to, and shall not, bid on or submit a proposal for a contract with a state agency for goods or services~~ Pursuant to the authority provided in subparagraph (a)(27)(B) of Code Section 50-25-4, the Georgia Technology Authority shall maintain an up-to-date list of concerned goods produced by a foreign company of concern or a foreign country of concern.

~~(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~~  
The state or a state agency shall not purchase concerned goods from a foreign company of concern, a foreign country of concern, or a third-party vendor or reseller.

~~(d) If the Department of Administrative Services determines that a company has submitted a false certification under subsection (c) of this Code section~~  
If a company of concern, directly or through a third-party vendor or reseller, sells concerned goods to the state or a state agency:

(1) The foreign company of concern or third-party vendor or reseller shall be liable for a civil penalty in an amount that is equal to the greater of \$250,000.00 or ~~twice~~ triple the amount of the contract for which a bid or proposal was submitted entire purchase value;

(2) The state agency or the Department of Administrative Services shall terminate the contract with the foreign company of concern or third-party vendor or reseller; and

(3) The foreign company of concern or third-party vendor or reseller shall be ineligible to, and shall not, bid on a state contract for an award of future state contracts for a period determined by the Georgia Technology Authority."

## SECTION 2.

Said title is further amended in said part by repealing Code Section 50-5-84.2, relating to contracting with companies owned by China.

## SECTION 3.

Said title is further amended in Chapter 25, relating to the Georgia Technology Authority, by revising paragraph (27) of subsection (a) of Code Section 50-25-4, relating to general powers, as follows:

~~"(27)(A)~~ To establish and enforce standard specifications which shall apply to all technology and technology resource related supplies, materials, and equipment

68 purchased or to be purchased for the use of the state government or any of its agencies,  
69 which specifications shall be based on and consistent with industry accepted open  
70 network architecture standards; and  
71 (B) To evaluate security risks associated with the purchase of technology-related goods  
72 and services made pursuant to Article 3 of Chapter 5 of this title and to determine to  
73 what extent the purchase of goods and services, in part or in whole, directly or  
74 indirectly, poses a potential security threat to this state or its residents;"

75 **SECTION 4.**

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