

HOUSE BILL NO. 602

INTRODUCED BY S. GALLOWAY, S. GUNDERSON, T. WELCH, J. WINDY BOY, F. ANDERSON, J. SCHILLINGER, S. GIST, B. MITCHELL, P. FIELDER, S. VINTON, L. REKSTEN, L. SHELDON-GALLOWAY, L. BREWSTER, G. FRAZER, J. HINKLE, M. BINKLEY, B. LER, A. REGIER, K. SEEKINS-CROWE, R. MARSHALL, C. HINKLE, J. READ, J. GILLETTE, G. OBLANDER, J. BERGSTROM, S. FITZPATRICK, P. GREEN, G. KMETZ, T. FALK, B. BARKER, J. ETCHART, R. MINER, D. HARVEY, J. TREBAS, J. KASSMIER, B. PHALEN, L. DEMING, L. HELLEGAARD, T. SMITH, N. DURAM, E. BUTCHER

A BILL FOR AN ACT ENTITLED: "AN ACT PROHIBITING STATE CONTRACTS WITH CHINESE GOVERNMENT-OWNED OR AFFILIATED TECHNOLOGY MANUFACTURERS; AND PROVIDING DEFINITIONS."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Definitions. As used in [sections 1 and 2], unless the context clearly indicates otherwise, the following definitions apply:

(1) "Company" means any 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 the entities or business associations, that exists for the purpose of making profit.

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

(3) "Scrutinized company" means any company owned or operated by the government of China.

NEW SECTION. Section 2. Prohibited actions -- penalties. (1) A scrutinized company shall be ineligible to, and may 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.

(2) A state agency shall require a company that submits a bid or proposal with respect to a

1 contract for goods or services to certify that the company is not a scrutinized company.

2 (3) If the department of administration determines that a company has submitted a false
3 certification under subsection (3)(c):

4 (a) the company shall be liable for a civil penalty in an amount that is equal to the greater of
5 \$250,000 or twice the amount of the contract for which a bid or proposal was submitted;

6 (b) the state agency or the department of administration shall terminate the contract with the
7 company; and

8 (c) the company shall be ineligible to, and may not, bid on a state contract.

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10 NEW SECTION. Section 3. Codification instruction. [Sections 1 and 2] are intended to be codified
11 as an integral part of Title 18, chapter 1, part 1, and the provisions of Title 18, chapter 1, part 1, apply to
12 [sections 1 and 2].

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