

HOUSE BILL No. 2778

By Committee on Federal and State Affairs

3-14

1 AN ACT concerning state contracts; relating to application of contract
2 requirements regarding anti-Israel boycotts; amending K.S.A. 2017
3 Supp. 75-3740e and 75-3740f and repealing the existing sections.
4

5 *Be it enacted by the Legislature of the State of Kansas:*

6 New Section 1. The purpose of K.S.A. 2017 Supp. 75-3740e and 75-
7 3740f, and amendments thereto, is to declare that Israel is a prominent
8 trading partner of the state of Kansas and that the state, and those
9 companies that do business by and through the state, in the interest of the
10 state's economic policy, should not boycott trade with Israel. Companies
11 that refuse to deal with United States trade partners such as Israel make
12 discriminatory decisions on the basis of national origin that impair those
13 companies' commercial soundness. Israel is known for its dynamic and
14 innovative approach in many business sectors, and a company's decision to
15 discriminate against persons or entities doing business in Israel or in
16 territories controlled by Israel is an unsound business practice making the
17 company an unduly risky contracting partner. It is also the public policy of
18 the United States, as enshrined in several federal acts, including 50 U.S.C.
19 § 4607, to oppose such boycotts, and congress has concluded as a matter
20 of national trade policy that cooperation with Israel materially benefits
21 United States companies and improves American competitiveness.

22 Sec. 2. K.S.A. 2017 Supp. 75-3740e is hereby amended to read as
23 follows: 75-3740e. As used in K.S.A. 2017 Supp. 75-3740e and 75-3740f,
24 and amendments thereto:

25 (a) "Boycott" means engaging in a refusal to deal, terminating
26 business activities or performing other actions that are intended to limit
27 commercial relations with persons or entities doing business in Israel or in
28 territories controlled by Israel, if those actions are taken either:

29 (1) In compliance with or adherence to calls for a boycott of Israel
30 other than those boycotts to which 50 U.S.C. § 4607(c) applies; or

31 (2) in a manner that discriminates on the basis of nationality, national
32 origin or religion, and that is not based on a valid business reason;

33 (b) "company" means ~~a sole proprietorship~~, an organization,
34 association, corporation, partnership, venture or other entity, its subsidiary
35 or affiliate, that exists for profitmaking purposes or to otherwise secure
36 economic advantage; ~~and~~

1 (c) *"contract" means a written agreement between the state and a*
2 *company to acquire or dispose of goods or services with an aggregate*
3 *price of more than \$100,000. "Contract" does not mean a written*
4 *agreement between the state and an individual to acquire or dispose of*
5 *goods or services, including employment or consultant services; and*

6 (d) *"state" means this state or an agency, board, commission or*
7 *department of this state.*

8 Sec. 3. K.S.A. 2017 Supp. 75-3740f is hereby amended to read as
9 follows: 75-3740f. (a) Except as provided in subsection (c), the state shall
10 not enter into a contract with ~~an individual or a company to acquire or~~
11 ~~dispose of services, supplies, information technology or construction,~~
12 unless such ~~individual or company~~ submits a written certification that such
13 ~~individual or company~~ is not currently engaged in a boycott of *goods or*
14 *services from Israel that constitutes an integral part of business conducted*
15 *or sought to be conducted with the state.*

16 (b) The state may not adopt a procurement, investment or other policy
17 that has the effect of inducing or requiring a person to boycott the
18 government of Israel or its instrumentalities, or to boycott a person doing
19 business in Israel or territories under its jurisdiction, when such boycott is
20 on the basis of such person's location in such places.

21 (c) The secretary of administration will approve contracts, or may
22 waive application of this section on any contract with any state agency if
23 the secretary determines that compliance is not practicable.

24 Sec. 4. K.S.A. 2017 Supp. 75-3740e and 75-3740f are hereby
25 repealed.

26 Sec. 5. This act shall take effect and be in force from and after its
27 publication in the statute book.