

**SUBJECT:** Prohibiting contracts with companies engaged with certain foreign entities

**COMMITTEE:** State Affairs — favorable, without amendment

**VOTE:** 12 ayes — Cook, Giddings, Craddick, Farrar, Geren, Guillen, K. King, Kuempel, Meyer, Paddie, E. Rodriguez, Smithee

0 nays

1 absent — Oliveira

**WITNESSES:** For — (*Registered, but did not testify:* Jon Fisher, Associated Builders and Contractors of Texas)

Against — None

On — (*Registered, but did not testify:* Paul Ballard, Treasury Safekeeping Trust Co.)

**BACKGROUND:** Some contend that insufficient protections are in place to prevent taxpayer dollars and governmental contracts going to companies engaged in business with certain foreign entities that tolerate, encourage, or engage in terrorist activities.

**DIGEST:** HB 1142 would prohibit a local or state governmental entity from entering into a contract with a company identified as engaged in business with Iran, Sudan, or a foreign terrorist organization designated by the U.S. secretary of state.

The comptroller would be required to prepare and maintain a list of companies known to contract with or provide supplies or services to a foreign terrorist organization. This list would have to be made available to each governmental entity.

The bill would take effect September 1, 2017, and would apply only to a contract or purchase for which a governmental entity first advertised or

otherwise solicited bids, proposals, offers, or qualifications on or after that date.

NOTES:

A companion bill, SB 252 by V. Taylor, was approved by the Senate on April 3 and referred to the House Committee on State Affairs.