

SESSION OF 2018

**CONFERENCE COMMITTEE REPORT BRIEF
HOUSE BILL NO. 2482**

As Agreed to April 3, 2018

Brief*

HB 2482 would amend law related to contracts between the State and persons or companies who are actively engaged in a boycott of Israel.

Current law precludes the State from entering into contracts with either an individual or a company to acquire or dispose of services, supplies, information technology, or construction unless the individual or company submits written certification that such individual or company is not currently engaged in a boycott of Israel. Current law also precludes the State from adopting a procurement, investment, or other policy that has the effect of inducing or requiring a person to boycott Israel, or to boycott a person doing business in Israel when such boycott is based upon the person's location.

The bill would amend the definition of "company" to include an organization, association, corporation, partnership, venture, other entity, or its subsidiary or affiliate that exists for profitmaking purposes or to otherwise secure economic advantage.

The bill would define "contract" to mean a written agreement between the State and a company to acquire or dispose of goods or services with an aggregate price of more than \$100,000. It would not include a written agreement between the State and an individual to acquire or dispose of goods or services, including employment or consultant services.

*Conference committee report briefs are prepared by the Legislative Research Department and do not express legislative intent. No summary is prepared when the report is an agreement to disagree. Conference committee report briefs may be accessed on the Internet at <http://www.kslegislature.org/kldr>

The bill would further clarify that the State could not enter into contracts with companies unless such company submits written certification that the company is not engaged in a boycott of goods or services from Israel that constitutes an integral part of business conducted or sought to be conducted with the State.

Conference Committee Action

The Conference Committee agreed to place the contents of HB 2778, as recommended by the House Committee on Federal and State Affairs, concerning contracts between the State and persons or companies who are actively engaged in a boycott of Israel, into HB 2482.

Background

HB 2482, as introduced, previously pertained to increasing the length of time that certain businesses could serve or sell alcohol. The contents of HB 2482, as amended by the Senate Committee on Commerce, was placed into HB 2470 by the Conference Committee on March 29, 2018. HB 2482, as amended, includes the provisions of HB 2778, which is described below.

HB 2778 (Concerning State Contractors)

HB 2778 was introduced by the House Committee on Federal and State Affairs. In the House Committee hearing, proponent testimony was presented by Representative Finch and two private citizens. Written-only proponent testimony was provided by Representative Sutton, the Kansas Attorney General, and representatives of the Rohr Chabad Center for Jewish Life and the Zachor Legal Institute. Written-only opponent testimony was provided by the American Civil Liberties Union of Kansas. No other testimony was provided.

[*Note:* A fiscal note on HB 2778 was not available at the time the House Committee took action on March 19, 2018. A fiscal note was later released by the Division of the Budget on March 20, 2018.]

According to the fiscal note prepared by the Division of the Budget on HB 2778, the Department of Administration (Department) reviews each certification on a one-time basis upon receipt of the contract. If enactment of the bill would allow the Department to retain this process, there would be no fiscal effect. However, if enactment of the bill requires the Department to review all contracts on an annual basis to ensure compliance, the Department indicates the Office of Procurement and Contracts could require additional staff to conduct the annual reviews.

The Division of the Budget estimates the bill would not change current practices for the Department and would have no fiscal effect. Any fiscal effect associated with the enactment of HB 2778 is not reflected in *The FY 2019 Governor's Budget Report*.

Boycott; contract; procurement; Israel

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