

2026 Regular Session

SENATE BILL NO. 388

BY SENATOR HODGES

HOMELAND SECURITY. Protects state agencies from contracts with foreign adversaries and foreign terrorist organizations and authorizes the governor to use emergency powers to assist state agencies to cancel any such contract for cause. (gov sig)

1 AN ACT

2 To enact R.S.29:724.1 and R.S. 39:1602.3, relative to homeland security; to provide for

3 governor's authority during an emergency; to provide for emergency authority of the

4 governor regarding state contracts; to authorize cancellation or suspension of state

5 contracts involving foreign adversaries or foreign terrorist organizations or their

6 agents; to prohibit state agencies from knowingly entering into contacts with foreign

7 adversaries or foreign terrorist organizations or their agents; to provide for

8 definitions; to provide for procedures; to provide for judicial review; to provide for

9 remedies; to provide for certifications; to provide for cancellation and debarment

10 under certain circumstances; to provide for an effective date; and to provide for

11 related matters.

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. R.S. 29:724.1 is hereby enacted to read as follows:

14 **§724.1. Protection of state contracts from foreign adversaries and foreign**

15 **organizations and their agents; emergency powers of the**

16 **governor**

17 **A.(1) The legislature hereby declares that, if a state agency enters into**

1 a contract and later learns that the contract benefits a foreign adversary or a  
2 foreign terrorist organization, the contract shall be viewed as providing  
3 material support, aide, and comfort to enemies of the people of Louisiana and  
4 the United States.

5 (2) It is, therefore, the policy of the state that any contract that benefits  
6 a foreign adversary or a foreign terrorist organization is subject to cancellation  
7 for cause as a threat to the health and safety of the people of Louisiana. The  
8 cancellation is justified under the reasonable exercise of the constitutional police  
9 powers of the state and is necessary for the state to protect its people.

10 (3) Continuing any such contract poses a substantial risk to public  
11 safety, state security, and the integrity of state government; therefore, it is  
12 imperative that the governor has the emergency power to terminate such  
13 contracts for cause to protect the interest of the state of Louisiana.

14 B. As used in this Section, the following words have the meanings  
15 ascribed to them unless the context requires otherwise:

16 (1) "Emergency" means the governor has been notified by a state  
17 employee or public official, acting within the scope of official duties, that it has  
18 come to their attention that a public contract has been executed with:

19 (a) Foreign terrorist organization.

20 (b) Agent of a foreign terrorist organization.

21 (c) Foreign adversary.

22 (d) Agent of foreign adversary.

23 (2) "Foreign adversary" means either of the following:

24 (a) A foreign government or nongovernment person or entity that has  
25 been determined to be a foreign adversary pursuant to 15 C.F.R. 791.4, as  
26 amended.

27 (b) A person or entity designated by the governor pursuant to Subsection  
28 F of this Section or comparable federal regulation.

29 (3) "Foreign terrorist organization" means any of the following:

30 (a) An organization designated by the United States Secretary of State

1 pursuant to 8 U.S.C. 1189, as amended, as a foreign terrorist organization;

2 (b) Any person or entity designated by the United States Department of  
3 the Treasury as a Specially Designated National pursuant to 31 C.F.R. 500.306,  
4 or any successor federal regulation administered by the Office of Foreign Assets  
5 Control;

6 (c) A person or entity designated by the governor pursuant to Subsection  
7 F of this Section.

8 (4) "State contract" means any contract, cooperative endeavor  
9 agreement, grant, subcontract, or procurement obligation entered into by the  
10 state of Louisiana or any state department, board, commission, agency,  
11 authority, or instrumentality thereof for the purchase or lease of goods, services,  
12 infrastructure, technology, or intellectual property.

13 (5) "Beneficiary of a contract" includes any person, firm, corporation,  
14 partnership, association, nonprofit entity, or other organization that would  
15 receive payment, consideration, or other benefit under a state contract.

16 C.(1) When it is brought to the governor's attention that an emergency,  
17 as is defined in Subsection B of this Section, has taken place, the governor may,  
18 by executive order, suspend, restrict, refuse performance of, or cancel any state  
19 contract, subcontract, grant, or other procurement agreement if the governor  
20 determines both of the following:

21 (a) A beneficiary of the contract is a foreign adversary or is a foreign  
22 terrorist organization.

23 (b) That continuation of the contract poses an unacceptable risk to the  
24 security, public health, safety, economic stability, or emergency preparedness  
25 of the state.

26 (2) An executive order issued pursuant to this Subsection may:

27 (a) Specify the contracts subject to suspension or cancellation.

28 (b) Provide for temporary suspension of payments pending review.

29 (c) Delegate implementation authority to appropriate state agencies.

30 (d) Establish compliance procedures.

1           (e) Provide for notice and procedural safeguards consistent with due  
2 process and the exigencies of the declared emergency.

3           D. The authority granted in this Section shall be exercised in a manner  
4 consistent with applicable federal law. If federal designation procedures,  
5 including for foreign terrorist organizations as set forth in 8 U.S.C. 1189, or  
6 federal determinations, including foreign adversary determinations under 15  
7 C.F.R. 791.4, change during the course of a contract, those changes shall inform,  
8 but not limit, the governor's discretion to act under this Section consistent with  
9 state and federal law.

10           E. Any person or entity adversely affected by action taken pursuant to  
11 this Section may seek judicial review in a court of competent jurisdiction  
12 subject to applicable law and sovereign immunity and consistent with procedural  
13 safeguards established in the applicable executive order. Review shall be limited  
14 to whether the governor's action was arbitrary, capricious, or an abuse of  
15 discretion under the circumstances of the declared emergency.

16           F.(1) Prior to issuing an executive order pursuant to this Subsection, the  
17 governor shall consult with all of the following:

18           (a) The director of the Governor's Office of Homeland Security and  
19 Emergency Preparedness.

20           (b) The attorney general of Louisiana.

21           (2) Such consultation shall include review of available intelligence, law  
22 enforcement information, federal designation status, and legal sufficiency.  
23 Nothing herein shall require disclosure of classified or protected information  
24 beyond what is permitted by law.

25           (4) A designation may be made only upon written findings that the  
26 person or entity:

27           (a) Is owned or controlled by, acting on behalf of, materially supported  
28 by, or substantially affiliated with any of the following:

29           (i) A foreign government hostile to the interests of the United States or  
30 the state, designated as a "foreign adversary" pursuant to 15 C.F.R. 791.4.

1                    (ii) An organization designated as a "foreign terrorist organization"  
2 pursuant to 8 U.S.C. 1189.

3                    (iii) An entity designated as a Specially Designated National pursuant to  
4 31 C.F.R. 500.306.

5                    (b) Has knowingly engaged in, facilitated, or materially supported  
6 activities that pose a threat to the security, critical infrastructure, public safety,  
7 economic stability, or emergency preparedness of the state.

8                    (5) The executive order shall:

9                    (a) Identify the designated entity.

10                   (b) State the factual basis for the designation to the extent consistent with  
11 public safety and security.

12                   (c) Specify the scope and duration of the designation.

13                   (d) Provide notice of the right to judicial review.

14                   (e) Be effective immediately upon issuance.

15                   (f) Specify the contracts subject to cancellation or restriction.

16                   (g) Establish criteria for determining the existence of a connection to a  
17 foreign adversary or foreign terrorist organization.

18                   (h) Provide for temporary suspension of payment or performance  
19 obligations pending resolution of the Governor's determination.

20                   (i) Delegate implementation, compliance, and enforcement  
21 responsibilities to state agencies, including but not limited to the Office of State  
22 Procurement, the Department of Public Safety and Corrections, and the  
23 Governor's Office of Homeland Security and Emergency Preparedness.

24                   (j) Provide for notice and procedural safeguards, consistent with due  
25 process, for affected parties unless such procedures would hinder timely  
26 emergency action.

27                   (6)(a) Within forty-eight hours of issuing an executive order pursuant to  
28 this Subsection, the governor shall provide written notice to:

29                   (i) The president of the Senate.

30                   (ii) The speaker of the House of Representatives.

1            (iii) The chairmen of the Senate and House and committees on  
2            governmental affairs as well as the Senate and House select committees on  
3            homeland security.

4            (iv) The Joint Legislative Committee on the Budget.

5            (b) The notice shall include a copy of the executive order and a summary  
6            of the factual basis for the designation, subject to redaction of sensitive security  
7            information.

8            (c) Failure to provide notice within forty-eight hours shall not impair the  
9            immediate effectiveness of the executive order.

10           (7) A designation shall remain in effect for the duration of the declared  
11           emergency unless rescinded earlier by the governor.

12           (8) Any entity designated pursuant to this Subsection may seek judicial  
13           review in a court of competent jurisdiction within thirty days of issuance of the  
14           executive order. The court shall review whether the designation was arbitrary,  
15           capricious, or an abuse of discretion, giving due deference to executive findings  
16           related to security and emergency management.

17           Section 2. R.S. 39:1602.3 is hereby amended and reenacted to read as follow:

18           §1600.1. Prohibition on award of state contracts to foreign adversaries, agents  
19           of foreign adversaries, foreign organizations, or agents of foreign  
20           adversaries

21           A. The definitions provided in R.S.29:724.1 shall apply to this Section.

22           B. A state agency shall not knowingly award or renew a state contract  
23           when the beneficiary of a contract is foreign adversaries, agents of foreign  
24           adversaries, foreign terrorist organizations, or agent of foreign terrorist  
25           organization.

26           B. Mandatory certification shall be required, as condition of submitting  
27           a bid or proposal for all state contracts. The mandatory certification shall  
28           require that all contractors certify that:

29           (1) The person is not, nor would they be during the pendency of the  
30           contract, a beneficiary of a contract with a foreign adversary, agents of foreign

1 adversaries, foreign terrorist organizations, or agent of foreign terrorist  
2 organization.

3 (2) The person has not been convicted in a final federal judgment within  
4 the previous five years of knowingly providing material support or resources  
5 to a foreign adversary of foreign terrorist organization.

6 C. The certification required by this Section shall be included in all  
7 invitations to bid, requests for proposals, and other procurement solicitations  
8 issued under this Chapter.

9 D. A person who knowingly provides a false certification under this  
10 Section shall be subject to:

11 (1) Termination of the state contract for cause.

12 (2) Recovery of damages by the state agency.

13 (3) Debarment from public contracting with the state for a period not to  
14 exceed twenty-five years.

15 E. Debarment proceedings under this Section shall be conducted in  
16 accordance with R.S. 39:1672 and applicable provisions of the Administrative  
17 Procedure Act.

18 F. The attorney general may institute civil proceedings to enforce the  
19 provisions of this Section.

20 G. Nothing in this section shall be construed to do any of the following:

21 (1) Conflict with or to supersede federal law.

22 (2) Infringe upon rights protected by the United States Constitution or  
23 the Constitution of Louisiana.

24 H. This Section shall be construed narrowly to apply solely to eligibility  
25 for state contracts.

26 Section 3. If any provision or item of this Act, or the application thereof, is held  
27 invalid, such invalidity shall not affect other provisions, items, or applications of the Act  
28 which can be given effect without the invalid provision, item, or application and to this end  
29 the provisions of this Act are hereby declared severable.

30



general.

Proposed law requires the governor, within 48 hours of issuing a designation, to provide written notice to the president of the Senate, the speaker of the House of Representatives, the appropriate legislative committee chairmen, and the Joint Legislative Committee on the Budget.

Proposed law provides for immediate effectiveness of executive orders issued pursuant to proposed law and provides for judicial review under an arbitrary and capricious standard.

Proposed law that a state agency shall not knowingly award or renew a state contract when the beneficiary of a contract is foreign adversaries, agents of foreign adversaries, foreign terrorist organizations, or agent of foreign terrorist organization.

Proposed law provides for mandatory certification shall be required, as condition of submitting a bid or proposal for all state contracts. The mandatory certification shall require that all contractors certify that:

- (1) The person is not, nor would they be during the pendency of the contract, a beneficiary of a contract with a foreign adversary, agents of foreign adversaries, foreign terrorist organizations, or agent of foreign terrorist organization.
- (2) The person has not been convicted in a final federal judgment within the previous five years of knowingly providing material support or resources to a foreign adversary of foreign terrorist organization.

Proposed law provides that the certification required by this shall be included in all invitations to bid, requests for proposals, and other procurement solicitations issued under proposed law.

Proposed law provides that, a person who knowingly provides a false certification under this Section shall be subject to:

- (1) Termination of the state contract for cause.
- (2) Recovery of damages by the state agency.
- (3) Debarment from public contracting with the state for a period not to exceed twenty-five years.

Proposed law provides that the attorney general may institute civil proceedings to enforce the provisions of proposed law.

Proposed law provides that nothing in this section shall be construed to do any of the following:

- (1) Conflict with or to supersede federal law.
- (2) Infringe upon rights protected by the United States Constitution or the Constitution of Louisiana.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 29:724.1 and R.S. 39:1602.3)