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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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SB 388 Original

DIGEST  
2026 Regular Session

Hodges

Proposed law prohibits state agencies from awarding state contracts when the beneficiary of the contract is a foreign adversaries, agent of foreign adversaries, foreign terrorist organization, or agent of foreign terrorist organization. Proposed law gives the governor emergency powers to cancel state contracts with foreign adversaries, agents of foreign adversaries, foreign terrorist organizations, or agent of foreign terrorist organizations.

Proposed law provides for legislative declarations and findings as follows:

- (1) If a state agency makes a contract and later learns that it benefits a foreign adversary or a foreign terrorist organization, the contract is to be considered as providing material aide, comfort, and support to the enemies of the people of La. and the United States.
- (2) It is the policy of the state that any contract that benefits a foreign adversary or a foreign terrorist organization is subject to cancellation for cause as a threat to the health and safety of the people of La. The cancellation is justified under the reasonable exercise of the constitutional police powers of the state and is necessary for the state to protect its people.
- (3) Continuing any such contract poses a substantial risk to public safety, state security, and the integrity of state government; therefore, it is imperative that the governor has the emergency power to terminate such contracts for cause to protect the interest of the state of La.

Proposed law defines "foreign adversary", "foreign terrorist organization", "state contract", and "beneficiary of a contract".

Proposed law incorporates federal designations under 15 C.F.R. 791.4, 8 U.S.C. 1189, and 31 C.F.R. 500.306 (Specially Designated Nationals), and authorizes gubernatorial designation under state law during a declared emergency.

Proposed law authorizes the governor, during a declared state of emergency to suspend, restrict, refuse performance of, or cancel a state contract if the governor determines that a beneficiary of the contract is a foreign adversary or foreign terrorist organization and continuation of the contract poses an unacceptable risk to the security, public health, safety, economic stability, or emergency preparedness of the state.

Proposed law requires the governor, prior to designation, to consult with the director of the Governor's Office of Homeland Security and Emergency Preparedness and the attorney 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)