

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 388** SLS 26RS 641

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> March 10, 2026 7:16 PM	<b>Author:</b> HODGES
<b>Dept./Agy.:</b> Procurement	<b>Analyst:</b> Julie Silva
<b>Subject:</b> Protection of state contracts from foreign adversaries	

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 OR NO IMPACT See Note  
 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)  
 Proposed law requires all state agencies to include a mandatory non-affiliation certification in solicitations and contracts, prohibiting awards or renewals to entities that are foreign adversaries, agents of foreign adversaries, foreign terrorist organizations, or their agents. Authorizes the governor to suspend, restrict, or cancel contracts during a declared emergency if a contract benefits such entities, after consultation with the attorney general and the Governor's Office of Homeland Security and Emergency Preparedness. Requires agencies notify the legislature of any such emergency actions. The bill also establishes debarment and sanctions for false certifications and incorporates federal designation standards for enforcement.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

Proposed legislation prohibits state agencies from contracting with foreign adversaries, foreign terrorist organizations, or their agents and authorizes termination of such contracts and recovery of improperly paid funds. State agencies and the Office of the Attorney General may experience a minor increase in workload associated with contract compliance review and potential enforcement actions; however, any additional workload is anticipated to be absorbed within existing resources.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Proposed legislation does not create any new fees, fines, or penalties. Although the measure authorizes the recovery of payments previously made to contractors later determined to be affiliated with foreign adversaries or foreign terrorist organizations, any such recoveries would be incidental, case-specific, and indeterminable, and do not constitute new revenue.

Senate Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

  
**Patrice Thomas**  
**Deputy Fiscal Officer**