



131st MAINE LEGISLATURE

FIRST REGULAR SESSION-2023

Legislative Document

No. 877

S.P. 374

In Senate, February 24, 2023

**An Act to Prohibit State Contracts with Companies Owned or
Operated by the Government of the People's Republic of China**

Reference to the Committee on State and Local Government suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator KEIM of Oxford.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 5 MRSA §2049** is enacted to read:

3 **§2049. Contracts with certain companies affiliated with the government of the**
4 **People's Republic of China prohibited**

5 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
6 following terms have the following meanings.

7 A. "Company" means any type of legal business entity recognized under the laws of
8 the State, including any subsidiaries, parent companies or affiliates of the company that
9 exists for the purposes of making a profit.

10 B. "Government of China" means the government of the People's Republic of China.

11 C. "Subject company" means a company that is owned or operated by the government
12 of China.

13 **2. Certification required.** A company that submits a bid or proposal for a contract
14 with the State for goods or services shall certify that the company is not a subject company.

15 **3. Prohibition.** A subject company is ineligible for and may not bid on or submit a
16 proposal, directly or indirectly, for a contract with a public or private entity that directly or
17 indirectly receives state funding.

18 **4. Civil violation; penalty.** A company that submits a false certification under
19 subsection 2 commits a civil violation for which a fine may be adjudged in an amount that
20 is the greater of:

21 A. Twice the amount of the contract for which the bid or proposal was submitted; or

22 B. \$250,000.

23 The State shall terminate the contract with a company found to have violated subsection
24 2 and the company is subject to the prohibition in subsection 3.

25 **SUMMARY**

26 This bill requires that a company that submits a bid or proposal for a contract with the
27 State for goods or services must certify that the company is not owned or operated by the
28 government of the People's Republic of China. It provides that a company owned or
29 operated by the government of the People's Republic of China is ineligible for and may not
30 bid on or submit a proposal, directly or indirectly, for a contract with a public or private
31 entity that directly or indirectly receives state funding.