

SENATE, No. 1862

STATE OF NEW JERSEY

221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:

Senator PARKER SPACE

District 24 (Morris, Sussex and Warren)

SYNOPSIS

Prohibits State contracts for technology with Chinese government-owned or affiliated companies.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** prohibiting State contracts for technology with Chinese
2 government-owned or affiliated companies and supplementing
3 chapter 32 of Title 52 of the Revised Statutes.

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5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

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8 1. a. As used in this section:

9 “Company” means any sole proprietorship, organization,
10 association, corporation, partnership, joint venture, limited
11 partnership, limited liability partnership, limited liability company,
12 or other entity or business association, including any wholly owned
13 subsidiary, majority owned subsidiary, parent company, or affiliate
14 of such entity or business association, that exists for the purpose of
15 making profit.

16 “Government of China” means the government of the People’s
17 Republic of China led by the Chinese Communist Party.

18 “State agency” means the legislative or executive branch of the
19 State, including, but not limited to, any department, board, bureau,
20 commission, division, office, council, agency, or instrumentality
21 thereof, or independent agency, public authority or public benefit
22 corporation.

23 b. A company owned by, operated by, or affiliated with the
24 government of China shall be ineligible to, and shall not, bid on or
25 submit a proposal, directly or indirectly through a third party, for a
26 contract to provide technology goods or services with any State
27 agency.

28 c. A State agency shall require a company that submits a bid or
29 proposal with respect to a contract for technology goods or services
30 to certify that the company is eligible to bid or submit the proposal.

31 d. If the Division of Purchase and Property in the Department of
32 the Treasury determines that a company has submitted a false
33 certification under subsection c. of this section:

34 (1) the company shall be liable for a civil penalty in an amount
35 that is equal to the greater of \$250,000 or twice the amount of the
36 contract for which a bid or proposal was submitted; and

37 (2) the State agency or the Division of Purchase and Property
38 shall terminate the contract with the company; and

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40 2. This act shall take effect immediately.

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STATEMENT

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45 This bill provides that any company owned or operated by, or
46 affiliated with, the Government of China will be ineligible to bid or
47 submit a proposal for a technology contract with any State agency.

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1 This bill also requires companies that submit a bid or proposal
2 with respect to a contract for technology goods and services to
3 certify that the company is eligible to bid or submit a proposal.
4 This bill establishes that, if the Division of Purchase and
5 Property determines that a company has submitted a false
6 certification, the company will be liable for a civil penalty in an
7 amount that is equal to the greater of \$250,000 or twice the amount
8 of the contract for which a bid or proposal was submitted and the
9 State agency, or the Division of Purchase and Property, will
10 terminate the contract with the company.