

FLORIDA HOUSE OF REPRESENTATIVES BILL ANALYSIS

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BILL #: [HB 977](#)

TITLE: Contracting with Foreign Countries of Concern

SPONSOR(S): Greco

COMPANION BILL: [SB 1538](#) (Collins)

LINKED BILLS: None

RELATED BILLS: None

Committee References

[Government Operations](#)

15 Y, 0 N



[State Affairs](#)

SUMMARY

Effect of the Bill:

The bill prohibits governmental entities from contracting with or accepting bids from vendors—or their parent or subsidiary companies—with any ownership ties to foreign countries of concern, and requires affidavits affirming compliance; violations may result in civil penalties and contract bans.

Fiscal or Economic Impact:

The bill may result in an insignificant, negative fiscal impact on the state and local governments to implement and enforce the new contracting requirements; however, such costs can likely be absorbed within existing resources.

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ANALYSIS

EFFECT OF THE BILL:

The bill strengthens prohibitions on [government contracting and procurement](#) with vendors connected to [foreign countries of concern](#)—China, Russia, Iran, North Korea, Cuba, Venezuela (Maduro regime), and Syria—by prohibiting governmental entities from entering into a contract with a vendor, or its parent company or subsidiary, in which the government of a foreign country of concern has an ownership interest. Beginning July 1, 2025, a governmental entity may not extend or renew a contract with such a vendor for services or computers, printers, interoperable devices, or videoconferencing devices. All bidders are required to submit an affidavit, under penalty of perjury, confirming that neither they nor their parent or subsidiary companies are owned in any capacity by a foreign country of concern. In accordance with current law, a violation of these provisions may result in civil penalties, ineligibility for contracts or licenses for up to five years, and placement on the suspended vendor list. (Section [1](#))

The bill makes conforming changes in the [State Uniform Traffic Control Law](#). (Section [2](#))

The effective date of the bill is July 1, 2025. (Section [3](#))

FISCAL OR ECONOMIC IMPACT:

STATE GOVERNMENT:

The bill may result in an insignificant, negative fiscal impact on the state. It expands contracting prohibitions related to entities with connections to foreign countries of concern, and state agencies could incur costs associated with updating procurement procedures. Additionally, legal costs may arise if enforcement actions are pursued. However, the costs can likely be absorbed within existing resources.

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LOCAL GOVERNMENT:

The bill may result in an insignificant, negative fiscal impact on local governments. It expands contracting prohibitions related to entities with connections to foreign countries of concern, and local governments could incur costs associated with updating procurement procedures. However, the costs can likely be absorbed within existing resources.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

[Government Contracting and Procurement](#)

Current law requires a competitive solicitation¹ process when state agencies wish to procure commodities or contractual services that cost more than \$35,000.² Depending on the type of contract and scope of work or goods sought, an agency may use one of three procurement methods:

- Invitation to bid (ITB): An agency must use an ITB when the agency is capable of specifically defining the scope of work for which a contractual service is required or when the agency is capable of establishing precise specifications defining the actual commodity or group of commodities required.³
- Request for proposals (RFP): An agency must use an RFP when the purposes and uses for which the commodity, group of commodities, or contractual service being sought can be specifically defined and the agency is capable of identifying necessary deliverables.⁴
- Invitation to negotiate (ITN): An ITN is a solicitation used by an agency that is intended to determine the best method for achieving a specific goal or solving a particular problem and identifies one or more responsive vendors with which the agency may negotiate in order to receive the best value.⁵

The Department of Management Services (DMS) is statutorily designated as the primary state agency overseeing procurement⁶ and its responsibilities include creating uniform agency procurement rules,⁷ implementing the online procurement program,⁸ and procuring state term contracts.⁹ DMS is also responsible for registering vendors that wish to provide goods or services to the state¹⁰ and maintaining lists of vendors who may not submit bids, proposals, or replies to agency solicitations, such as the:

- Suspended vendor list, which includes vendors who are in default on a contract or have repeatedly failed to fulfill the terms of state contracts. Contracts cannot be awarded to such vendors until the vendor reimburses the agency for the costs of re-procurement and the agency is satisfied that further default will not occur.¹¹
- Convicted vendor list, which includes vendors who have been disqualified due to conviction of a public entity crime, which includes fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation related to a contract for services to be provided to a public entity.¹²
- Discriminatory vendor list, which includes vendors who have been disqualified for violating any state or federal law prohibiting discrimination based on race, gender, national origin, disability, or religion.¹³

¹ A “competitive solicitation” is the process of requesting and receiving two or more sealed bids, proposals, or replies submitted by responsive vendors in accordance with the terms of a competitive process, regardless of the method of procurement. S. [287.012\(6\), F.S.](#)

² Ss. [287.057](#) and [287.017, F.S.](#)

³ S. [287.057\(1\)\(a\), F.S.](#)

⁴ S. [287.057\(1\)\(b\), F.S.](#)

⁵ S. [287.057\(1\)\(c\), F.S.](#)

⁶ See ss. [287.032](#) and [287.042, F.S.](#)

⁷ See ss. [287.032\(2\)](#) and [287.042\(3\), \(4\), and \(12\), F.S.](#)

⁸ See s. [287.057\(24\), F.S.](#)

⁹ See ss. [287.042\(2\)](#) and [287.056, F.S.](#)

¹⁰ See ss. [287.032](#) and [287.042, F.S.](#); see also DMS, [Vendor Registration and Vendor Lists](#) (last visited March 28, 2025).

¹¹ S. [287.1351, F.S.](#)

¹² S. [287.133, F.S.](#)

¹³ S. [287.134, F.S.](#)

- Antitrust violator vendor list, which includes vendors who have been disqualified due to being convicted or held civilly liable for an antitrust violation.¹⁴

Scrutinized List of Prohibited Companies

Companies on the Scrutinized Companies with Activities in Sudan list, on the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector list, or engaged in business operations in Cuba or Syria are prohibited from bidding on, submitting a proposal for, or entering into or renewing a contract with an agency or a local governmental entity for goods or services of \$1 million or more.¹⁵ Similarly, a company on the Scrutinized Companies that Boycott Israel list or a company that engaged in a boycott of Israel may not bid on, submit a proposal for, or enter into or renew a contract with an agency or local governmental entity for goods or services of any amount.¹⁶ The State Board of Administration is charged with maintaining a complete list of scrutinized companies.¹⁷

[Foreign Countries of Concern](#)

In 2023, the Legislature prohibited state and local governmental entities from contracting with certain foreign-affiliated entities if such contracts would grant access to individuals' personal identifying information.¹⁸ Specifically, contracts with entities that are owned by, significantly controlled by, or organized under, the following foreign countries of concern are prohibited: China, Russia, Iran, North Korea, Cuba, Venezuela (Maduro regime), and Syria.¹⁹

Beginning January 1, 2024, entities must submit a sworn affidavit confirming that they do not meet these criteria before bidding on or entering into contracts involving personal data.²⁰ Starting July 1, 2025, this restriction extends to contract renewals and extensions.²¹ Violations may result in civil penalties, contract and license ineligibility for up to five years, and placement on the suspended vendor list.²²

[State Uniform Traffic Control Law](#)

The State Uniform Traffic Control Law governs traffic laws throughout the state. Its purpose is to ensure consistent and uniform regulation of traffic across Florida jurisdictions.²³ Beginning July 1, 2025, a governmental entity may not knowingly enter into or renew a contract for school bus infraction detection systems, speed detection systems, traffic infraction detectors, or any other camera systems used for enforcing the State Uniform Traffic Control Law if the contracting vendor is owned or controlled by a foreign country of concern.²⁴

RECENT LEGISLATION:

YEAR	BILL #	HOUSE SPONSOR(S)	SENATE SPONSOR	OTHER INFORMATION
2023	CS/CS/SB 264	Borrero, Waldron	Avila	The bill became law on July 1, 2023.

¹⁴ S. [287.137, F.S.](#)

¹⁵ S. [287.135\(2\)\(b\), F.S.](#)

¹⁶ S. [287.135\(2\)\(a\), F.S.](#)

¹⁷ Ss. [215.4725](#), and [215.473, F.S.](#)

¹⁸ Ch. [2023-33, L.O.F.](#)

¹⁹ S. [287.138\(1\) and \(2\), F.S.](#) Beginning July 1, 2025, governmental entities may not extend or renew such contract. S. [287.057\(3\), F.S.](#)

²⁰ S. [287.138\(4\)\(a\), F.S.](#)

²¹ S. [287.138\(4\)\(b\), F.S.](#)

²² S. [287.138\(5\), F.S.](#)

²³ S. [316.002, F.S.](#)

²⁴ S. [316.0078, F.S.](#)

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Government Operations Subcommittee State Affairs Committee	15 Y, 0 N	4/1/2025	Toliver	Villa