

Office of the Governor
State of Louisiana

JOHN BEL EDWARDS
GOVERNOR



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July 1, 2021

VIA HAND DELIVERY

Honorable Clay J. Schexnayder
Speaker of the House
Louisiana House of Representatives
Post Office Box 94062
Baton Rouge, Louisiana 70804-9062

RE: Veto of House Bill 597 of the 2021 Regular Session

Dear Speaker Schexnayder:

Please be advised that I have vetoed House Bill 597 of the 2021 Regular Session.

This bill purports to prevent the State of Louisiana and local governments from contracting with entities that "discriminate" against gun companies or gun trade associations. What this bill would actually do is prevent the State and local governments from complying with long-standing procurement laws which require that public contracts be awarded to the lowest qualified bidder. This issue is most likely to come up in the area of government borrowing from national banks. Thus, if this bill were to be signed into law, the State and local governments would be forced to accept financing at a higher interest rate than would otherwise be available in the market. Further, on competitive bond sales, banks will likely no longer offer their lowest interest rates because they will not have to compete with the banks that would be precluded under this legislation. In short, this bill will come at a significant cost to Louisiana taxpayers and will have no effect on changing the policies of any financial institution.

This bill was amended in the Senate with a change which would have added language to the bill providing for it to be inapplicable if the governmental entity determined that the requirement was "inconsistent with the entity's constitutional, statutory, or fiduciary duties." Despite the fact that this amendment was adopted without opposition, it was stripped off in conference committee. If the bill had been sent to my desk with that amendment, it may have been acceptable as it would have allowed for governments to avoid any significant financial consequences resulting from this legislation. However, this common sense amendment was removed, and thus I have vetoed the bill.

Sincerely,

A handwritten signature in black ink, appearing to read "John Bel Edwards".

John Bel Edwards
Governor

cc: Honorable Patrick Page Cortez
Louisiana Senate President

2021 Regular Session

HOUSE BILL NO. 597

BY REPRESENTATIVES MIGUEZ, AMEDEE, BACALA, EDMONDS, EMERSON,
GAROFALO, HARRIS, HORTON, MCCORMICK, CHARLES OWEN, AND
SCHAMERHORN

AN ACT

To enact R.S. 38:2216.1 and R.S. 39:1602.2, relative to public contracts; to prohibit certain discriminatory practices with respect to firearm associations, retailers, and manufacturers; to provide for definitions; to provide restrictions on applicability; and to provide for related matters.

ORIGINATED

IN THE

House of Representatives

GOVERNOR'S OFFICE
JUN 11 2021
TIME 3:17 PM
RECEIVED

Michelle D. Lockart
Clerk of the House of Representatives

2021 Regular Session

HOUSE BILL NO. 597

BY REPRESENTATIVES MIGUEZ, AMEDEE, BACALA, EDMONDS, EMERSON,
GAROFALO, HARRIS, HORTON, MCCORMICK, CHARLES OWEN, AND
SCHAMERHORN

1 AN ACT

2 To enact R.S. 38:2216.1 and R.S. 39:1602.2, relative to public contracts; to prohibit certain
3 discriminatory practices with respect to firearm associations, retailers, and
4 manufacturers; to provide for definitions; to provide restrictions on applicability; and
5 to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 38:2216.1 is hereby enacted to read as follows:

8 §2216.1. Prohibition on contracts with companies that discriminate against firearm
9 and ammunition industries

10 A. As used in this Section, the following terms shall have the following
11 meanings unless the context clearly indicates otherwise:

12 (1) "Ammunition" shall mean a loaded cartridge case, primer, bullet, or
13 propellant powder with or without a projectile.

14 (2) "Company" shall mean a for-profit organization, association, corporation,
15 partnership, joint venture, limited partnership, limited liability partnership, or limited
16 liability company, including a wholly owned subsidiary, majority-owned subsidiary,
17 parent company, or affiliate of those entities or associations that exists to make a
18 profit. "Company" shall not mean a sole proprietorship.

19 (3)(a) "Discriminate against a firearm entity or firearm trade association"
20 shall mean that the company:

21 (i) Refuses to engage in the trade of any goods or services with the entity or
22 association based solely on its status as a firearm entity or firearm trade association.

1 (ii) Refrains from continuing an existing business relationship with the entity
2 or association based solely on its status as a firearm entity or firearm trade
3 association.

4 (iii) Terminates an existing business relationship with the entity or
5 association based solely on its status as a firearm entity or firearm trade association.

6 (b) A company does not "discriminate against a firearm entity or firearm
7 trade association" if it refuses to engage in the trade of any goods or services,
8 refrains from continuing an existing business relationship, or declines to enter into,
9 modifies, or terminates an existing business relationship for any of the following
10 reasons:

11 (i) To comply with federal, state, or local law, policy, or regulations or a
12 directive by a regulator.

13 (ii) For any traditional business reason that is specific to the customer or
14 potential customer and not based solely on an entity's or association's status as a
15 firearm entity or firearm trade association.

16 (c) Nothing in this Paragraph shall be construed to require a company that
17 is a merchant, retail seller, or platform to sell or list for sale ammunition, firearms,
18 or firearm accessories.

19 (4) "Firearm" shall mean a weapon that expels a projectile by the action of
20 explosive or expanding gases.

21 (5) "Firearm accessory" shall mean:

22 (a) A device specifically designed or adapted to enable an individual to
23 wear, carry, store, or mount a firearm on the individual or on a conveyance.

24 (b) An item used in conjunction with or mounted on a firearm that is not
25 essential to the basic function of the firearm, including a detachable firearm
26 magazine.

27 (6) "Firearm entity" shall mean:

28 (a) A manufacturer, distributor, wholesaler, supplier, or retailer of firearms,
29 firearm accessories, or ammunition.

1 **(b) A business establishment, private club, or association that operates an**
2 **area for the discharge or other use of firearms for silhouette, skeet, trap, black**
3 **powder, target, self-defense, or similar recreational shooting, at which not fewer than**
4 **twenty different individuals discharge firearms each calendar year.**

5 **(7) "Firearm trade association" shall mean any person, corporation,**
6 **unincorporated association, federation, business league, or business organization that**
7 **meets all of the following criteria:**

8 **(a) Is not organized or operated for profit and for which none of its net**
9 **earnings inures to the benefit of any private shareholder or individual.**

10 **(b) Has two or more firearm entities as members.**

11 **(c) Is exempt from federal income taxation pursuant to 26 U.S.C. 501(a) as**
12 **an organization described by 26 U.S.C. 501(c)(6).**

13 **B.(1) The provisions of this Section shall apply to any contract with a value**
14 **of one hundred thousand dollars or more that meets all of the following criteria:**

15 **(a) Is to be paid partly or wholly from public funds.**

16 **(b) Is between a public entity and a company with at least ten full-time**
17 **employees.**

18 **(c) Is entered into on or after August 1, 2021.**

19 **(2) Notwithstanding the provisions of Paragraph (1) of this Subsection, the**
20 **provisions of this Section shall not apply if either of the following conditions are**
21 **met:**

22 **(a) The contract is with a sole-source provider.**

23 **(b) The public entity does not receive any bids from companies that are able**
24 **to provide the written verification required by this Section.**

25 **C. A public entity may not enter into a contract with a company for the**
26 **purchase of goods or services unless the contract contains a written verification from**
27 **the company of both of the following:**

28 **(1) The company does not have a practice, policy, guidance, or directive that**
29 **discriminates against a firearm entity or firearm trade association based solely on the**
30 **entity's or association's status as a firearm entity or firearm trade association.**

1 (2) The company will not discriminate against a firearm entity or firearm
2 trade association during the term of the contract based solely on the entity's or
3 association's status as a firearm entity or firearm trade association.

4 Section 2. R.S. 39:1602.2 is hereby enacted to read as follows:

5 §1602.2. Prohibition on contracts with companies that discriminate against firearm
6 and ammunition industries

7 A. As used in this Section, the following terms shall have the following
8 meanings unless the context clearly indicates otherwise:

9 (1) "Ammunition" shall mean a loaded cartridge case, primer, bullet, or
10 propellant powder with or without a projectile.

11 (2) "Company" shall mean a for-profit organization, association, corporation,
12 partnership, joint venture, limited partnership, limited liability partnership, or limited
13 liability company, including a wholly owned subsidiary, majority-owned subsidiary,
14 parent company, or affiliate of those entities or associations that exists to make a
15 profit. "Company" shall not mean a sole proprietorship.

16 (3)(a) "Discriminate against a firearm entity or firearm trade association"
17 shall mean the company:

18 (i) Refuses to engage in the trade of any goods or services with the entity or
19 association based solely on its status as a firearm entity or firearm trade association.

20 (ii) Refrains from continuing an existing business relationship with the entity
21 or association based solely on its status as a firearm entity or firearm trade
22 association.

23 (iii) Terminates an existing business relationship with the entity or
24 association based solely on its status as a firearm entity or firearm trade association.

25 (b) A company does not "discriminate against a firearm entity or firearm
26 trade association" if it refuses to engage in the trade of any goods or services,
27 refrains from continuing an existing business relationship, or declines to enter into,
28 modifies, or terminates an existing business relationship for any of the following
29 reasons:

1 (i) To comply with federal, state, or local law, policy, or regulations or a
2 directive by a regulator.

3 (ii) For any traditional business reason that is specific to the customer or
4 potential customer and not based solely on an entity's or association's status as a
5 firearm entity or firearm trade association.

6 (c) Nothing in this Paragraph shall be construed to require a company that
7 is a merchant, retail seller, or platform to sell or list for sale ammunition, firearms,
8 or firearm accessories.

9 (4) "Firearm" shall mean a weapon that expels a projectile by the action of
10 explosive or expanding gases.

11 (5) "Firearm accessory" shall mean:

12 (a) A device specifically designed or adapted to enable an individual to
13 wear, carry, store, or mount a firearm on the individual or on a conveyance.

14 (b) An item used in conjunction with or mounted on a firearm that is not
15 essential to the basic function of the firearm, including a detachable firearm
16 magazine.

17 (6) "Firearm entity" shall mean:

18 (a) A manufacturer, distributor, wholesaler, supplier, or retailer of firearms,
19 firearm accessories, or ammunition.

20 (b) A business establishment, private club, or association that operates an
21 area for the discharge or other use of firearms for silhouette, skeet, trap, black
22 powder, target, self-defense, or similar recreational shooting, at which not fewer than
23 twenty different individuals discharge firearms each calendar year.

24 (7) "Firearm trade association" shall mean any person, corporation,
25 unincorporated association, federation, business league, or business organization that
26 meets all of the following criteria:

27 (a) Is not organized or operated for profit and for which none of its net
28 earnings inures to the benefit of any private shareholder or individual.

29 (b) Has two or more firearm entities as members.

1 (c) Is exempt from federal income taxation pursuant to 26 U.S.C. 501(a) as
2 an organization described by 26 U.S.C. 501(c)(6).

3 (8) "Governmental entity" shall mean:

4 (a) Any department, office division, commission, council, board, bureau,
5 committee, institution, agency, government corporation, or other establishment or
6 official of the executive branch of state government.

7 (b) Any parish, city, town, governmental body, and any other subdivision of
8 the state or public agency thereof, public authority, public educational, health, or
9 other institution, and to the extent provided by law, any other entity which expends
10 public funds for the acquisition or leasing of supplies, services, major repairs, and
11 construction, and any nonprofit corporation operating a charitable hospital.

12 B.(1) The provisions of this Section shall apply to any contract with a value
13 of one hundred thousand dollars or more that meets all of the following criteria:

14 (a) Is to be paid partly or wholly from public funds.

15 (b) Is between a public entity and a company with at least ten full-time
16 employees.

17 (c) Is entered into on or after August 1, 2021.

18 (2) Notwithstanding the provisions of Paragraph (1) of this Subsection, the
19 provisions of this Section shall not apply if either of the following conditions are
20 met:

21 (a) The contract is with a sole-source provider.

22 (b) The government entity does not receive any bids from companies that are
23 able to provide the written verification required by this Section.

24 C. A governmental entity may not enter into a contract with a company for
25 the purchase of goods or services unless the contract contains a written verification
26 from the company of both of the following:

27 (1) The company does not have a practice, policy, guidance, or directive that
28 discriminates against a firearm entity or firearm trade association based solely on the
29 entity's or association's status as a firearm entity or firearm trade association.

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(2) The company will not discriminate against a firearm entity or firearm trade association during the term of the contract based solely on the entity's or association's status as a firearm entity or firearm trade association.



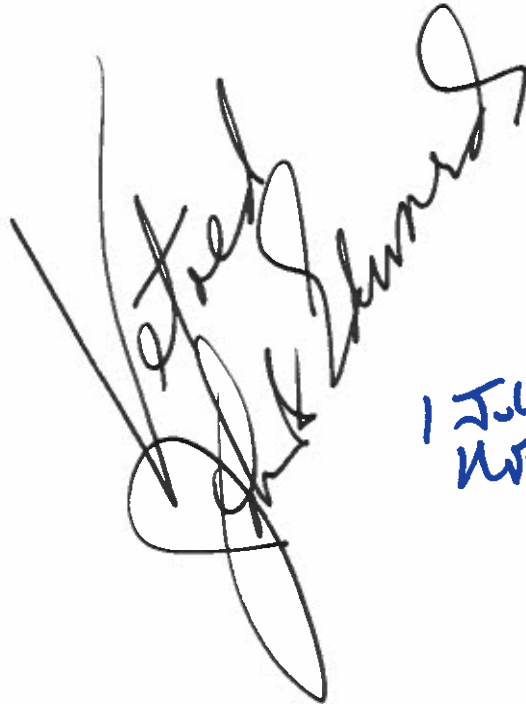
SPEAKER OF THE HOUSE OF REPRESENTATIVES



PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____



1 July 2021
WRS