

SENATE  
STATE OF MINNESOTA  
NINETY-FOURTH SESSION

S.F. No. 4874

(SENATE AUTHORS: GUSTAFSON and Drazkowski)

DATE	D-PG	OFFICIAL STATUS
03/26/2026	7092	Introduction and first reading Referred to State and Local Government
04/07/2026	7676a	Comm report: To pass as amended
	7904	Second reading
	7919	Author added Drazkowski

1.1 A bill for an act

1.2 relating to state government; precluding state contracts with person or business

1.3 convicted of fraud; proposing coding for new law in Minnesota Statutes, chapter

1.4 16C.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. 16C.0535] CONTRACTS PROHIBITED WITH VENDORS WHO HAVE

1.7 COMMITTED FRAUD.

1.8 Subdivision 1. Contract prohibited. An agency must not enter into a contract to procure

1.9 goods or services with a company owned by a person that has been within the previous ten

1.10 years:

1.11 (1) convicted of theft in violation of section 609.52, perjury in violation of section 609.48,

1.12 or aggravated forgery or forgery in violation of sections 609.625 and 609.63, or convicted

1.13 under substantially similar federal laws;

1.14 (2) convicted of an attempt or conspiracy to commit any of the crimes listed in clause

1.15 (1); or

1.16 (3) held liable for making false claims against the state under chapter 15C or held liable

1.17 for making false claims against the United States under substantially similar federal laws.

1.18 Subd. 2. Ownership. For purposes of this section, a person who owns the company is:

1.19 (1) for a sole proprietorship, the sole proprietor;

1.20 (2) for a business partnership, any one of the partners with at least a ten percent ownership

1.21 interest in the partnership or a person who has control over management or contracting

1.22 decisions for the partnership; or

2.1 (3) for a corporation, any one of the persons with at least a ten percent ownership interest  
2.2 in the corporation or a person who has control over management or contracting decisions  
2.3 for the corporation.

2.4 Subd. 3. **Definition.** For purposes of this section, "agency" is defined in section 16C.02,  
2.5 subdivision 2, and includes the Minnesota State Colleges and Universities.

2.6 Subd. 4. **Permanent exclusion.** A state agency must not enter into a contract to procure  
2.7 goods or services with a company that has been the subject of two occurrences of the  
2.8 conditions of subdivision 1, clause (1) or (2).