

STATE OF NEW YORK

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Introduced by Sens. KRUEGER, COONEY, MAY, BRISPORT, CLEARE, COMRIE, FERNANDEZ, GONZALEZ, HARCKHAM, HINCHEY, HOYLMAN-SIGAL, JACKSON, KAVANAGH, SALAZAR, SANDERS, SEPULVEDA, SERRANO, SKOUFIS, STAVISKY, WEBB -- read twice and ordered printed, and when printed to be committed to the Committee on Procurement and Contracts

AN ACT to amend the state finance law, in relation to enacting the tropical rainforest economic & environmental sustainability act; and to amend the economic development law, in relation to establishing the supply chain transparency assistance program

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. This act shall be known and may be cited as the "tropical
2 rainforest economic & environmental sustainability act".
3 § 2. Legislative findings. The legislature finds and declares the
4 following:
5 1. Tropical forests cover roughly 7 percent of Earth's surface, but
6 harbor close to 50 percent of all species on Earth.
7 2. Human activity is the driving force behind the current rate of
8 species extinction, which is at least 100 to 1,000 times higher than
9 historical levels. The Intergovernmental Science-Policy Platform on
10 Biodiversity and Ecosystem Services reported in 2019 that around 1
11 million animal and plant species are now threatened with extinction,
12 many within decades, more than ever before in human history. This is
13 directly linked to habitat loss, with more than a third of the world's
14 land surface and nearly 75 percent of freshwater resources now devoted
15 to crop or livestock production.
16 3. Globally, an estimated 18,000,000 acres of forest, an area more
17 than half the size of New York state, are lost every year to deforesta-
18 tion according to the Food and Agriculture Organization of the United
19 Nations, with over one-half of Earth's tropical forests already gone. At

EXPLANATION--Matter in italics (underscored) is new; matter in brackets [-] is old law to be omitted.

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1 the current pace, the entirety of Earth's tropical rainforests will be
2 degraded or destroyed within the next 100 years.

3 4. A significant percentage of the world's greenhouse gas emissions
4 come from deforestation and forest degradation. Taking into account
5 carbon sequestration potential, stopping the loss of tropical forests,
6 mangroves, and wetlands could provide over 20 percent of climate miti-
7 gation by 2030.

8 5. Loss of biodiversity resulting from forest degradation and defores-
9 tation, as well as human encroachment on formerly undisturbed ecosys-
10 tems, increases the risks of zoonotic disease pandemics such as COVID-
11 19.

12 6. New York state is a leader in addressing the climate crisis, with a
13 statutory goal of achieving net-zero greenhouse gas emissions economy-
14 wide by 2050. However, our statutory goals miss an important element of
15 our climate footprint represented by our exported emissions, the emis-
16 sions created by the goods we consume. A significant portion of this
17 footprint is driven by tropical deforestation.

18 7. Tropical deforestation in many countries is closely associated with
19 violations of the land rights of indigenous peoples and local communi-
20 ties and with the exploitation of workers, including forced labor and
21 child labor, and in many cases is enabled by corruption, criminality,
22 and violence against conservationists and land defenders.

23 8. Tropical deforestation in many countries is also closely associated
24 with illegal wildlife trafficking, including, but not limited to, vari-
25 ous bird and reptile species, and many primate species, including great
26 apes, pangolins, and orangutans, as well as many tree and plant species,
27 including mahoganies, rosewoods, ebony, and ipe, all of which have
28 recently been listed on the Convention of International Trade in Endan-
29 gered Species of Fauna and Flora (CITES).

30 9. The primary factors leading to tropical deforestation are degrada-
31 tion and road-building associated with logging for timber, which opens
32 the door for deforestation caused by industrial-scale production of
33 agricultural commodities and conversion of forests into plantations for
34 the timber, pulp, paper, palm oil, soy, and livestock industries, among
35 others. Together, these are increasingly known as "forest-risk commod-
36 ities".

37 10. New York is inadvertently promoting and sanctioning deforestation
38 and forest degradation through the purchase of goods and products that
39 have been produced in supply chains that contribute to tropical defores-
40 tation and tropical forest degradation.

41 11. New York has one of the largest economies in the world and its
42 purchasing power has significant market force, allowing it to play a
43 leadership role in preventing forest loss and supporting markets for
44 sustainably-sourced products.

45 12. It is the intent of the legislature that it be the policy of this
46 state to ensure companies contracting with the state are not contribut-
47 ing to tropical deforestation or tropical forest degradation directly or
48 through their supply chains.

49 § 3. Paragraphs b, c, d and e of subdivision 1 of section 165 of the
50 state finance law, as added by chapter 83 of the laws of 1995, are
51 amended to read as follows:

52 b. (i) "Tropical hardwood" shall mean any and all hardwood, scientif-
53 ically classified as angiosperm, that grows in any tropical [~~moist~~]
54 forest. Tropical hardwoods shall [~~be~~] include but not be limited to the
55 following species:

56 Scientific Name

Examples of Common [~~Name~~]

1		<u>Names</u>
2	<u>Prunus africana</u>	<u>African cherry, Red stinkwood</u>
3	<u>Caryocar costaricense</u>	<u>Ajo, Aji</u>
4	<u>Calophyllum spp.</u>	<u>Bintangor</u>
5	<u>Cedrela spp.</u>	<u>Cedar</u>
6	<u>Neobalanocarpus heimii,</u>	<u>Chengal</u>
7	<u>Balanocarpus heimii</u>	
8	<u>Octomeles sumatrana Miq.</u>	<u>Erima, benuang</u>
9	<u>Myroxylon balsamum</u>	<u>Estoraque</u>
10	<u>Apuleia leiocarpa</u>	<u>Garapa</u>
11	<u>Parastemon urophyllus, Parastemon</u>	<u>Malas</u>
12	<u>spicatus Ridley</u>	
13	<u>Hopea spp.</u>	<u>Merawan</u>
14	<u>Araucaria araucana</u>	<u>Monkey Puzzle, Chilean pine</u>
15	<u>Pterocarpus tinctorius</u>	<u>Mukula</u>
16	<u>Senna siamea</u>	<u>Siamese senna</u>
17	<u>Pometia pinata</u>	<u>Taun</u>
18	<u>Millettia leucantha Kurz</u>	<u>Thinwin</u>
19	<u>Bulnesia arborea, Bulnesia</u>	<u>Verawood, Argentine lignum</u>
20	<u>sarmientoi</u>	<u>vitae</u>
21	<u>Tristaniopsis laurina</u>	<u>Water gum</u>
22	<u>Terminalia spp.</u>	
23	<u>Homalium foetidum</u>	<u>Malas</u>
24	<u>Dillenia papuana</u>	<u>Dillenia</u>
25	<u>Canarium spp.</u>	<u>Red Canarium, Grey Canarium</u>
26	<u>Burkrella macropoda</u>	<u>Rang rang</u>
27	<u>Octomeles sumatrana</u>	<u>Erima, Benuang</u>
28	<u>Dracontomelon dao</u>	<u>New Guinea walnut</u>
29	<u>Planchonella spp.</u>	<u>White Planchonella, Red</u>
30		<u>Planchonella</u>
31	<u>Lophopetalum spp.</u>	<u>Perupok</u>
32	<u>Carinian pyriformis</u>	<u>Abarco, Jequitiba</u>
33	<u>Mitragyna ciliate</u>	<u>Abura</u>
34	Vouacapous americana	Acapu
35	<u>Amburana caerensis</u>	<u>Amburana, Cerejeira</u>
36	<u>Dalbergia melanoxyton</u>	<u>African Blackwood</u>
37	<u>Lovoa spp.</u>	<u>African Walnut, Tigerwood</u>
38	Pericopsis elata	[Afrormosis] <u>Afrormosia</u>
39	[Shorea almon]	[Almon]
40	<u>Aspidosperma megalocarpon</u>	<u>Acaretto</u>
41	Peltogyne spp.	<u>Amaranth, purpleheart</u>
42	<u>Terminalia amazonia</u>	<u>Amarillo Real</u>
43	[Guibourtia] Guibourtia ehie	Amazaque
44	<u>Amburana cearensis</u>	<u>Amburana, Cerejeira, cumare</u>
45	<u>Pterogyne nitens</u>	<u>Amendoim</u>
46	<u>Carapa guianensis</u>	<u>Andiroba, False Mahogany</u>
47	<u>Dicorynia guianensis</u>	<u>Angilique Cris</u>
48	[Aningeris] <u>Aningeria</u> spp.	<u>Aningeria, anegre,</u>
49		<u>anigre</u>
50	Dipterocarpus [grandiflorus]	[Apilong] <u>Apitong, Keruing</u>
51	<u>spp.</u>	
52	<u>Centrolobium spp.</u>	<u>Arariba, Amarillo</u>
53	<u>Brosimum utile</u>	<u>Baco</u>
54	<u>Shorea spp.</u>	<u>Balau, Selangan batu</u>
55	Ochroma lagopus	Balsa

1	<u>Ochroma pyramidale</u>	<u>Balsa</u>
2	<u>Myroxylon balsamum</u>	<u>Balsamo</u>
3	[Virela spp.]	[Banak]
4	[Anisoptera thurifera]	[Bella-Rose]
5	[Guibourtia] <u>Guibourtia</u> arnoldiana	
6		<u>Benge, Mutenye</u>
7	<u>Berlinia</u> spp.	<u>Berlinia, Rose Zebrano</u>
8	<u>Symphonia globulifera</u>	<u>Boar Wood</u>
9	Deterium [Senegalese] <u>senegalese</u>	<u>Boire</u>
10	<u>Caesalpinia echinata</u> ,	<u>Brazilwood, Pernambuco</u>
11	<u>Paubrasilia eschinata</u>	
12	<u>Bertholletia excels</u>	<u>Brazil Tree</u>
13	<u>Brosimum alicastrum</u>	<u>Breadnut</u>
14	<u>Guilbourtia</u> spp.	<u>Bubinga, African</u>
15	(<u>G. demusei</u> , <u>G. pellegriniana</u> ,	<u>Rosewood, Kevazingo</u>
16	<u>G. tessmannii</u>)	
17	<u>Toona calantas</u> , <u>Cedrela calantas</u>	<u>Calantas, Kalantas</u>
18	<u>Priora copaifera</u>	<u>Cativo</u>
19	<u>Cedrela odorata</u> , <u>Cedrela fissilis</u>	<u>Cedro, Cedar, Spanish cedar,</u>
20		<u>South American cedar</u>
21	<u>Ceiba pentandra</u>	<u>Ceiba</u>
22	<u>Antiaris africana</u>	<u>Chenchen, Antiaris</u>
23	<u>Couratari guianensis</u>	<u>Coco Blanco</u>
24	[Dalbergis] <u>Dalbergia</u>	
25	<u>retusa</u>	[Cocobola] <u>Cocobolo,</u>
26		<u>Granadillo</u>
27	<u>Tabebuia donnell-smithii</u>	<u>Copal</u>
28	<u>Daniellia</u> spp.	<u>Copal, Daniellia</u>
29	<u>Cordia</u> spp.	<u>Cordia, Bocote, Ziricote, Louro</u>
30	<u>Hymenaea courbaril</u>	<u>Courbaril, West Indian Locust</u>
31	<u>Dipteryx odorata</u>	<u>Cumaru</u>
32	<u>Piptadeniastrum africanum</u>	<u>Dahoma, Banzu</u>
33	<u>Calycophyllum candidissimum</u>	<u>Degame, Legame Lancewood,</u>
34		<u>Lemonwood</u>
35	<u>Azelia</u> spp.	<u>Doussie, Lingue</u>
36	[Diospyres] <u>Diospyrus</u> spp.	<u>Ebony, Macassar</u>
37		<u>ebony,</u>
38		<u>Ceylon ebony</u>
39	<u>Lophira alata</u>	<u>Ekki, Azobe, Bangassi, Akoura,</u>
40		<u>Red Ironwood</u>
41	<u>Combretodendron macrocarpum</u>	<u>Esia, Essia</u>
42	<u>Cordia goeldiana</u>	<u>Freijo, Cordia Wood</u>
43	<u>Chlorophora tinctoria</u>	<u>Fustic, Yellow Wood, Tatajuba</u>
44	[Aucoumes] <u>Aucoumea</u> klaineana	<u>Gaboon, Okoume</u>
45	<u>Astronium</u> spp.	<u>Goncalo Alves, Zebrawood,</u>
46		<u>Tigerwood</u>
47	<u>Ocotea rodiaei</u>	<u>Greenheart</u>
48	<u>Enterolobium cyclocarpum</u>	<u>Guanacaste, Rain Tree,</u>
49		<u>Elephant Ear</u>
50	<u>Guarea</u> spp.	<u>Guarea, Bosse</u>
51	<u>Terminalia ivorensis</u>	<u>Idigbo, Framire, Black Afara</u>
52	<u>Phoebe porosa</u>	<u>Imbuia, Imbuya, Embuia,</u>
53		<u>Brazilian Walnut</u>
54	<u>Handroanthus</u> spp.	<u>Ipe, Brazilian walnut,</u>
55		<u>bethabarra, Pau d'arco,</u>
56		<u>Ironwood, Lapacho</u>

1	<i>Chlorophors excelsa</i>	Iroko
2	<u><i>Hymenaea courbaril</i></u>	<u>Jatoba, "Brazilian Cherry"</u>
3	<u><i>Jacaranda copaia</i></u>	<u>Jacaranda</u>
4	<u><i>Machaerium villosum</i></u>	<u>Jacaranda Pardo</u>
5	<u><i>Dyera costulata</i></u>	<u>Jelutong</u>
6	<u><i>Dryobalanops</i> spp.</u>	<u>Kapur, Keladan</u>
7	<u><i>Koompassia malaccensis</i></u>	<u>Kempas, Impas</u>
8	<i>Acacia koa</i>	Koa
9	<u><i>Entandrophragma candollei</i></u>	<u>Kosipo, Omu</u>
10	<i>Pterygota macrocarpa</i>	<u>Koto, African Pterygota, Ware</u>
11	<u><i>Oxandra lanceolate</i></u>	<u>Lancewood</u>
12	<i>Shorea</i> spp. [negrosensis]	[Red] <u>Lauan, Luan,</u>
13		<u>Lawaan, Meranti, White</u>
14		<u>meranti, yellow meranti, dark</u>
15		<u>red meranti, light red meranti,</u>
16		<u>Seraya, Tanguile, Bang,</u>
17		<u>Philippine Mahogany</u>
18	[Pentacme contorta]	[White Lauan]
19	[Shorea ploysprma]	[Tanguile]
20	<u><i>Nothofagus pumilio</i></u>	<u>Lenga</u>
21	<u><i>Guaiacum officinale</i></u>	<u>Lignum Vitae, Guayacan,</u>
22		<u>Ironwood</u>
23	<i>Terminalia superba</i>	<u>Limba, Afara, Ofram</u>
24	[Aniba duckei] <u><i>Aniba rosedora</i></u>	[Loure] <u>Brazilian</u>
25		<u>rosewood, pau rosa, bois</u>
26		<u>de rose</u>
27	<u><i>Nectandra</i> spp.</u>	<u>Louro Preto</u>
28	[Kyaya ivorensis] <u><i>Khaya</i> spp.</u>	[Africa] <u>African</u>
29		<u>Mahogany</u>
30	[Swietenia macrophylla]	[Amer, Mahogany]
31	<u><i>Swietenia</i> spp.</u>	<u>American Mahogany, West Indian</u>
32		<u>Mahogany, Central American</u>
33		<u>Mahogany, Honduran Mahogany,</u>
34		<u>South American Mahogany,</u>
35		<u>Mexican Mahogany, Bigleaf</u>
36		<u>Mahogany, Little Leaf</u>
37		<u>Mahogany, Acajou, Caoba</u>
38		<u>Mogno</u>
39	<i>Tieghemella</i> [heckelii] <u><i>heckelii</i></u>	[Makora]
40		<u>Makore,</u>
41		<u>Baku</u>
42	<u><i>Diospyros marmorata</i></u>	<u>Marblewood, Zebrawood</u>
43	<u><i>Intsia bijuga, Intsia palembanica</i></u>	<u>Merbau, Ipil, Kwila</u>
44	<u><i>Anisoptera</i> spp.</u>	<u>Mersawa, Krabak, Palosapis,</u>
45		<u>Bella Rosa</u>
46	<u><i>Mora excelsa</i></u>	<u>Mora</u>
47	<i>Distemonanthus benthamianus</i>	<u>Movingui, Ayan</u>
48	<u><i>Terminalia amazonia</i></u>	<u>Nargusta</u>
49	<u><i>Pterocarpus</i> spp.</u>	<u>Narra, Ambyna, Papua New Guinea</u>
50		<u>Rosewood, Red Sanders, Mukula,</u>
51		<u>Kosso, zitan, Hongmu, Pandauk,</u>
52		<u>Vermillion Wood</u>
53	<u><i>Palaquium</i> spp.</u>	<u>Nyatoh, Padang, Pencil Cedar</u>
54	<u><i>Triplochiton scleroxylon</i></u>	<u>Obeche, Samba</u>
55	<u><i>Nauclea diderrichii</i></u>	<u>Opepe, Sibö</u>

1	[Pterocarpus soyauxii]	[African Padauk]
2	[Pterocarpus angolensis]	[Angola Padauk]
3	<u>Millettia stuhlmannii</u>	<u>Panga Panga</u>
4	<u>Balfourodendron riedelianum</u>	<u>Pau Marfim</u>
5	Aspidosperma spp.	Peroba, Rosa
6	<u>Paratecoma peroba</u>	<u>Peroba Branca</u>
7	<u>Dalbergia frutescens, D. tomentosa</u>	<u>Pinkwood, Brazilia Tulipwood</u>
8	<u>Tabebuia donnell-smithii</u>	<u>Prima Vera, Roble, Durango</u>
9	Peltogyne spp.	Purpleheart
10	Gonystylus spp.	Ramin
11	<u>Melanorrhoea curtisii</u>	<u>Rengas, Borneo Rosewood</u>
12	<u>Nothofagus obliqua</u>	<u>Roble</u>
13	<u>Hevea brasiliensis</u>	<u>Rubberwood</u>
14	Dalbergia spp.	Rosewood, <u>Indian Rosewood,</u>
15		<u>Honduras Rosewood, cocobolo,</u>
16		<u>granadillo</u>
17	<u>Aniba duckei</u>	<u>Brazilian Rosewood</u>
18	[Entandrophragm-a] <u>Entandrophragma</u>	
19	cylindricum	[Sapela] <u>Sapele, Sapelli</u>
20	<u>Acanthopanax ricinofolius</u>	<u>Sen, Castor Arabia</u>
21	<u>Brosimum aubletti, Piratinera</u>	<u>Snakewood, Letterwood, Leopard</u>
22	<u>guianensis</u>	<u>Wood</u>
23	[Shorea phillippinensis]	[Senora]
24	<u>Juglans spp. (juglans</u>	<u>South American Walnut, Peruvian</u>
25	<u>australis, J. neotropica,</u>	<u>Walnut, Tropical Walnut</u>
26	<u>J. Olanchana, etc.)</u>	
27	<u>Sterculia rhinopetala</u>	<u>Sterculia</u>
28	<u>Bagassa guianensis</u>	<u>Tatajuba, Bagasse</u>
29	Tectona grandis	Teak
30	Lovoa trichilloides	Tigerwood
31	<u>Entandrophragma utile</u>	<u>Utile, Sipo</u>
32	<u>Virola spp.</u>	<u>Virola, Cumala, Banak, Tapsava</u>
33	Milletia laurentii	Wenge
34	<u>Pentacme contorta</u>	<u>White Lauan</u>
35	Microberlinia [brazzavillensis]	Zebrawood,
36	<u>spp.</u>	<u>Zebrano, Zingana</u>

37 (ii) No later than January first, two thousand twenty-nine, and at
38 least every three years thereafter, the department of environmental
39 conservation, in consultation with the office of general services, shall
40 through regulations update the list of tropical hardwood species in
41 subparagraph (i) of this paragraph to ensure that such list includes all
42 such species that are currently commonly available for commercial use in
43 the United States, reflecting the most current data on production,
44 trade, and marketing, and to account for any changes in taxonomy,
45 marketing or trade names, market preference, usage, or other factors.
46 Species shall not be removed from the list of examples except for
47 purposes of correcting errors.

48 c. "Tropical [~~rain~~] forests" shall mean [~~any and all forests classi-~~
49 ~~fied by the scientific term "Tropical moist forests", the classification~~
50 ~~determined by the equatorial region of the forest and average rainfall]~~
51 a natural ecosystem within the tropical regions, approximately bounded
52 geographically by the tropics of Cancer and Capricorn, but possibly
53 affected by other factors such as prevailing winds, containing native
54 species composition, structure, and ecological function, with a tree
55 canopy cover of more than ten percent over an area of at least 0.5

1 hectares. "Tropical forests" shall include all of the following: (i)
 2 human-managed tropical forests or partially degraded tropical forests
 3 that are regenerating; and (ii) tropical forests identified by multi-ob-
 4 jective conservation based assessment methodologies, such as High
 5 Conservation Value (HCV) areas, as defined by the HCV Resource Network,
 6 or High Carbon Stock forests, as defined by the High Carbon Stock
 7 Approach, or by another methodology with equivalent or higher standards
 8 that includes primary forests and tropical peatlands of any depth.
 9 "Tropical forests" shall not include tree plantations of any type.

10 d. "Tropical hardwood products" shall mean any wood products, whole-
 11 sale or retail, in any form, including but not limited to plywood,
 12 veneer, furniture, cabinets, paneling, siding, moldings, doors, doors-
 13 kins, joinery, flooring or sawnwood, which are composed, in whole or in
 14 part, of tropical hardwood [~~except plywood~~].

15 e. "Peat" means a soil that is rich in organic matter composed of
 16 partially decomposed plant materials equal to or greater than 40 centi-
 17 meters of the top 100 centimeters of the soil.

18 f. "Tropical peatlands" means wetlands within the tropical regions
 19 with a layer of peat made up of dead and decaying plant material. Trop-
 20 ical peatlands includes moors, bogs, mires, and peat swamp forests.

21 g. "Secondary materials" means any material recovered from or other-
 22 wise destined for the waste stream, including, but not limited to, post-
 23 consumer material, industrial scrap material and [~~overstock or~~] obsolete
 24 inventories from distributors, wholesalers and other companies but such
 25 term does not include those materials and by-products generated from,
 26 and commonly reused within, an original manufacturing process.

27 § 4. Paragraphs a, b, c, and d of subdivision 2 of section 165 of the
 28 state finance law, as added by chapter 83 of the laws of 1995, are
 29 amended and four new paragraphs e, f, g and h are added to read as
 30 follows:

31 a. Except as hereinafter provided, the state and any governmental
 32 agency or political subdivision or public benefit corporation of the
 33 state shall not purchase or obtain for any purpose any tropical hard-
 34 woods or tropical hardwood products, wholesale or retail, in any form,
 35 unless such tropical hardwoods or tropical hardwood products are second-
 36 ary materials.

37 b. The provisions of paragraph a of this subdivision shall not apply
 38 to:

39 (i) [~~Any hardwoods purchased from a sustained, managed forest, or~~
 40 ~~(ii)~~] Any binding contractual obligations for purchase of commodities
 41 entered into prior to August twenty-fifth, nineteen hundred ninety-one;
 42 or

43 [~~(iii) The purchase of any tropical hardwood or tropical hardwood~~
 44 ~~product for which there is no acceptable non-tropical hardwood species,~~
 45 ~~or~~

46 ~~(iv) Where the contracting officer finds that no person or entity~~
 47 ~~doing business in the state is capable of providing acceptable non-trop-~~
 48 ~~ical hardwood species sufficient to meet the particular contract~~
 49 ~~requirements; or~~

50 ~~(v)]~~ (ii) Where the inclusion or application of such provisions will
 51 violate or be inconsistent with the terms or conditions of a grant,
 52 subvention or contract in an agency of the United States or the
 53 instructions of an authorized representative of any such agency with
 54 respect to any such grant, subvention or contract[~~, or~~

~~(vi) Where inclusion or application of such provisions results in a substantial cost increase to the state, government agency, political subdivision, public corporation or public benefit corporation].~~

c. (i) In the case of any bid proposal or solicitation, request for bid or proposal or contract for the construction of any public work, building maintenance or improvement for or on behalf of the state and any governmental agency or political subdivision or public benefit corporation of the state, it shall not require or permit the use of any tropical hardwood or ~~[wood]~~ tropical hardwood product, unless such tropical hardwood or tropical hardwood product is a secondary material.

(ii) Every bid proposal, solicitation, request for bid or proposal and contract for the construction of any public work, building maintenance or improvement shall contain a statement that any bid, proposal or other response to a solicitation for bid or proposal which proposes or calls for the use of any tropical hardwood or ~~[wood]~~ tropical hardwood product in performance of the contract shall be deemed non-responsive, unless such tropical hardwood or tropical hardwood product is a secondary material.

d. The provisions of paragraph c of this subdivision shall not apply:

(i) To bid packages advertised and made available to the public or any competitive and sealed bids received or entered into prior to August twenty-fifth, nineteen hundred ninety-one; or

(ii) To any amendment, modification or renewal of a contract, which contract was entered into prior to August twenty-fifth, nineteen hundred ninety-one, where such application would delay timely completion of a project or involve an increase in the total monies to be paid under that contract; or

(iii) Where the contracting officer finds that~~+~~

~~(A) No person or entity doing business in the state is capable of performing the contract using acceptable non-tropical hardwood species; or~~

~~(B) The~~ the inclusion or application of such provisions will violate or be inconsistent with the terms or conditions of a grant, subvention or contract with an agency of the United States or the instructions of an authorized representative of any such agency with respect to any such grant, subvention or contract~~+~~ ~~or~~

~~(C) The use of tropical woods is deemed necessary for purposes of historical restoration and there exists no available acceptable non-tropical wood species].~~

e. The use of any tropical hardwood or tropical hardwood product as part of the construction, renovation, maintenance, or installation of any public work, building or other structure, or improvement on lands owned or managed by the state or any governmental agency or political subdivision or public benefit corporation of the state shall be prohibited, except where such prohibition would violate or be inconsistent with the terms and conditions of a grant, subvention or contract with an agency of the United States or the instructions of an authorized representative of any such agency with respect to any such grant, subvention, or contract.

f. (i) Until January first, two thousand thirty-one, the provisions of paragraphs a, c, and e of this subdivision shall not apply to the use of ekki wood by the metropolitan transportation authority for the purpose of railroad ties in the New York city transit system, provided that the metropolitan transportation authority shall, no later than October first, two thousand twenty-six, after providing notice and an opportunity for public comment, develop and issue an ekki transition plan

1 outlining the steps the authority will take to minimize to the greatest
2 extent possible, and eventually phase out, the use of ekki wood, and
3 provided further that until such phase out has been completed, such
4 agency shall use, to the greatest extent possible, only secondary mate-
5 rials when the use of ekki wood is specified and unavoidable. Such plan
6 shall be made publicly available on the authority's website. No later
7 than October first, two thousand twenty-seven, and annually thereafter
8 until the expiration of this paragraph, the authority shall issue a
9 public report outlining its progress toward achieving such plan.

10 (ii) If, on or after April first, two thousand thirty, the director of
11 the budget issues a determination, after providing notice and an oppor-
12 tunity for public comment, that the authority has made significant
13 progress in phasing out the use of ekki wood, but that a full phase out
14 has been delayed due to technical or safety considerations, the
15 provisions of subparagraph (i) of this paragraph may be extended until
16 December thirty-first of the subsequent calendar year. Such determi-
17 nation may be made annually thereafter, on or after April first of
18 subsequent years, provided that under no circumstances shall the
19 provisions of this paragraph extend beyond January first, two thousand
20 thirty-six.

21 g. (i) Until January first, two thousand thirty-four, the provisions
22 of paragraphs a, c, and e of this subdivision shall not apply to the use
23 of greenheart wood by a ferry service directly owned and operated by an
24 agency of a city of one million or more, provided that such agency
25 shall, no later than October first, two thousand twenty-six, after
26 providing notice and an opportunity for public comment, develop and
27 issue a greenheart transition plan outlining the steps such agency will
28 take to minimize to the greatest extent possible, and eventually phase
29 out, the use of greenheart wood, and provided further that until such
30 phase out has been completed, such agency shall use, to the greatest
31 extent possible, only secondary materials when the use of greenheart
32 wood is specified and unavoidable. Such plan shall be made publicly
33 available on the agency's website. No later than October first, two
34 thousand twenty-seven, and annually thereafter until the expiration of
35 this paragraph, the agency shall issue a public report outlining its
36 progress toward achieving such plan.

37 (ii) If, on or after April first, two thousand thirty-three, the
38 director of the budget issues a determination, after providing notice
39 and an opportunity for public comment, that such agency has made signif-
40 icant progress in phasing out the use of greenheart wood, but that a
41 full phase out has been delayed due to technical or safety consider-
42 ations, the provisions of subparagraph (i) of this paragraph may be
43 extended until December thirty-first of the subsequent calendar year.
44 Such determination may be made annually thereafter, on or after April
45 first of subsequent years, provided that under no circumstances shall
46 the provisions of this paragraph extend beyond January first, two thou-
47 sand thirty-nine.

48 h. (i) Until January first, two thousand thirty-four, the provisions
49 of paragraphs a, c, and e of this subdivision shall not apply to the use
50 of greenheart wood on bridges managed by the department of transporta-
51 tion of a city of one million or more, provided that such department
52 shall, no later than October first, two thousand twenty-six, after
53 providing notice and an opportunity for public comment, develop and
54 issue a greenheart transition plan outlining the steps such department
55 will take to minimize to the greatest extent possible, and eventually
56 phase out, the use of greenheart wood, and provided further that until

1 such phase out has been completed, such department shall use, to the
2 greatest extent possible, only secondary materials when the use of
3 greenheart wood is specified and unavoidable. Such plan shall be made
4 publicly available on the department's website. No later than October
5 first, two thousand twenty-seven, and annually thereafter until the
6 expiration of this paragraph, the department shall issue a public report
7 outlining its progress toward achieving such plan.

8 (ii) If, on or after April first, two thousand thirty-three, the
9 director of the budget issues a determination, after providing notice
10 and an opportunity for public comment, that such department has made
11 significant progress in phasing out the use of greenheart wood, but that
12 a full phase out has been delayed due to technical or safety consider-
13 ations, the provisions of subparagraph (i) of this paragraph may be
14 extended until December thirty-first of the subsequent calendar year.
15 Such determination may be made annually thereafter, on or after April
16 first of subsequent years, provided that under no circumstances shall
17 the provisions of this paragraph extend beyond January first, two thou-
18 sand thirty-nine.

19 § 5. Section 165 of the state finance law is amended by adding a new
20 subdivision 10 to read as follows:

21 10. Tropical deforestation-free procurement. a. For purposes of this
22 subdivision, the following definitions shall apply:

23 (i) "Contractor" means any person or entity that has a contract with a
24 state agency or state authority for public works or improvements to be
25 performed, for a franchise, concession or lease of property, for grant
26 monies or goods and services or supplies to be purchased at the expense
27 of the agency or authority or to be paid out of monies deposited in the
28 treasury or out of trust monies under the control or collected by the
29 agency or authority.

30 (ii) "Tropical forest-risk commodity" means any commodity and its
31 derived products, including agricultural and non-agricultural commod-
32 ities but excluding tropical hardwood and tropical hardwood products
33 covered by subdivisions one and two of this section, whether in raw or
34 processed form, that is commonly extracted from, or grown, derived,
35 harvested, reared, or produced on land where tropical deforestation or
36 tropical forest degradation has occurred or is likely to occur. Tropical
37 forest-risk commodities include palm oil, beef, coffee, cocoa, wood
38 pulp, paper and any additional commodities defined by the commissioner
39 pursuant to subparagraph (i) of paragraph g of this subdivision, but do
40 not include recovered fiber.

41 (iii) "Covered tropical forest-risk product type" means any product
42 type listed by the department of environmental conservation pursuant to
43 subparagraph (ii) of paragraph g of this subdivision.

44 (iv) "Free, prior, and informed consent" means the principle that a
45 community has the right to give or withhold its consent to proposed
46 developments that may affect the land and waters it legally or customar-
47 ily owns, occupies, or otherwise uses, as described in the United
48 Nations Declaration on the Rights of Indigenous Peoples, the Indigenous
49 and Tribal Peoples Convention of 1989, also known as the International
50 Labor Organization Convention 169, and other international instruments.
51 "Free, prior, and informed consent" means informed, noncoercive negoti-
52 ations between investors, companies, or governments, and indigenous
53 peoples and local communities, prior to project development.

54 (v) "Large contractor" means any contractor whose annual revenue, or
55 that of their parent company, is equal to or greater than one hundred
56 million dollars.

1 (vi) "Recovered Fiber" means postconsumer fiber such as paper, paper-
2 board, and fibrous materials from retail stores, office buildings,
3 homes, and so forth, after having passed through their end usage,
4 including used corrugated boxes, old newspapers, old magazines, mixed
5 waste paper, tabulating cards, and used cordage, and all paper, paper-
6 board, and fibrous materials that enter and are collected from municipal
7 solid waste; and manufacturing wastes such as dry paper and paperboard
8 waste generated after completion of the papermaking process, including
9 envelope cuttings, bindery trimmings, and other paper and paperboard
10 waste resulting from printing, cutting, forming, and other converting
11 operations, bag, box, and carton manufacturing wastes, and butt rolls,
12 mill wrappers, and rejected unused stock, and repulped finished paper
13 and paperboard from obsolete inventories of paper and paperboard
14 manufacturers, merchants, wholesalers, dealers, printers, converters,
15 and others.

16 (vii) "Tree plantation" means an area of land predominantly composed
17 of trees established through planting and/or deliberate seeding, usually
18 by planting one or two species, for the purpose of producing and
19 harvesting a particular commodity. Tree plantation does not include
20 forest planted for ecosystem restoration.

21 (viii) "Tropical deforestation" means direct human-induced conversion
22 of tropical forest to agriculture, a tree plantation, or other non-for-
23 est land use.

24 (ix) "Tropical forest degradation" means direct human-induced severe
25 and sustained degradation of a tropical forest resulting in significant
26 forest loss and/or a profound change in species composition, structure,
27 or ecological function of that forest.

28 (x) "New York state products" means products that are grown,
29 harvested, or produced in this state, or processed inside or outside
30 this state comprising over fifty-one percent raw materials grown,
31 harvested, or produced in this state, by weight or volume.

32 (xi) "Small business" means small business as defined in section one
33 hundred thirty-one of the economic development law.

34 (xii) "Medium-sized business" shall mean a business that is resident
35 in this state, independently owned and operated, not dominant in its
36 field, and employs between one hundred and five hundred persons.

37 (xiii) "Minority-owned business enterprise" shall have the same mean-
38 ing as in article fifteen-A of the executive law.

39 (xiv) "Women-owned business enterprise" shall have the same meaning as
40 in article fifteen-A of the executive law.

41 b. (i) Every contract entered into by a state agency or authority that
42 includes the procurement of any covered tropical forest-risk product
43 type shall require that the contractor certify, after completing neces-
44 sary due diligence measures as determined by the commissioner of the
45 department of environmental conservation pursuant to paragraph g of this
46 subdivision, that, to the best of the contractor's knowledge, the
47 products furnished to the state pursuant to the contract do not contain
48 any tropical forest-risk commodities that were extracted from, grown,
49 derived, harvested, reared, or produced on land where tropical defores-
50 tation or tropical forest degradation occurred on or after January
51 first, two thousand twenty-three. The contractor shall agree to comply
52 with this provision of the contract.

53 (ii) The contract shall specify that the contractor is required to
54 cooperate fully in providing reasonable access to the contractor's
55 records, documents, agents, employees, or premises if reasonably
56 required by authorized officials of the contracting agency or authority,

1 the office of general services, the office of the attorney general, or
2 the department of environmental conservation, to determine the contrac-
3 tor's compliance with the requirements of this paragraph.

4 (iii) Contractors shall exercise due diligence in ensuring that their
5 subcontractors comply with the requirements of this paragraph. Contrac-
6 tors shall require each subcontractor to certify that the subcontractor
7 is in compliance with the requirements of this paragraph.

8 (iv) In addition to the requirements of subparagraphs (i), (ii) and
9 (iii) of this paragraph, large contractors subject to this paragraph
10 must certify that they have adopted a tropical forest policy that
11 complies with regulations issued pursuant to subparagraph (vi) of para-
12 graph g of this subdivision. Such tropical forest policy and data docu-
13 menting implementation shall be made publicly available and updated
14 annually, and shall include, at a minimum:

15 A. Procedures for identifying and mitigating the risk of tropical
16 deforestation and tropical forest degradation in tropical forest-risk
17 commodity supply chains.

18 B. Procedures to ensure respect for nationally and internationally
19 recognized rights of indigenous peoples and local communities, including
20 the principle of free, prior and informed consent, the rights and safety
21 of local environmental and human rights defenders, the rights of work-
22 ers, and compliance with source country laws, in tropical forest-risk
23 commodity supply chains.

24 (v) The provisions of this paragraph shall not apply to primary,
25 secondary, or tertiary packaging used for the purpose of containment,
26 protection, handling, delivery, transport, distribution, or presentation
27 of a covered tropical forest-risk product type.

28 (vi) The provisions of this paragraph shall not apply when the inclu-
29 sion or application of such provisions will violate or be inconsistent
30 with the terms or conditions of a grant, subvention or contract with an
31 agency of the United States or the instructions of an authorized repre-
32 sentative of any such agency with respect to any such grant, subvention
33 or contract.

34 (vii) The provisions of this paragraph shall not apply if the head of
35 the contracting state agency or authority issuing a solicitation for
36 covered tropical forest-risk product types issues a determination, after
37 providing notice and an opportunity for public comment, with the
38 approval of the director of the budget, that upon the closing of such
39 solicitation such provisions have resulted in the failure to receive any
40 offers in response to such solicitation and that there is no alternative
41 product available that is able to meet the generally accepted standard
42 performance requirements for the specified application within such
43 solicitation. Such determination shall explain in detail the necessity
44 of such exemption for each specified application, including a list of
45 all available alternative products considered and an explanation as to
46 why each product does not meet the relevant generally accepted perform-
47 ance requirements. Such determination shall be made publicly available,
48 in writing, on the website of the office of general services and the
49 relevant agency or authority. If the head of the contracting state agen-
50 cy or authority has not issued such a determination for three consec-
51 utive years, then the power of the head of the contracting state agency
52 or authority to issue such a determination shall be deemed expired, and
53 any subsequent determination shall be null and void.

54 (viii) The provisions of this paragraph shall not apply to a central-
55 ized contract developed by the office of general services if, during the
56 process of developing such centralized contract, the commissioner of

1 general services issues a determination, after providing notice and an
2 opportunity for public comment, with the approval of the director of the
3 budget, that incorporating the provisions of this paragraph will result
4 in a failure to receive any bids in response to a solicitation for such
5 centralized contract, and that there is no alternative product available
6 that is able to meet the generally accepted standard performance
7 requirements for the specified application within such contract. Such
8 determination shall explain in detail the necessity of such exemption
9 for each specified application, including a list of all available alter-
10 native products considered and an explanation as to why each product
11 does not meet the relevant generally accepted performance requirements.
12 Such determination shall be made publicly available, in writing, on the
13 website of the office of general services. If such a determination is
14 issued in regards to a centralized contract, such contract shall have a
15 term of no more than three years.

16 (ix) Until January first, two thousand thirty-two, the provisions of
17 this paragraph shall only apply to contracts with a total value greater
18 than or equal to one million dollars, or to contractors whose annual
19 revenue, or that of their parent company, is greater than or equal to
20 ten million dollars.

21 c. (i) If it is determined that any contractor contracting with the
22 state knew or should have known that a covered forest-risk product type
23 was furnished to the state in violation of this subdivision, the
24 contracting agency or authority shall issue a written notice of
25 violation and provide an opportunity for such contractor to come into
26 compliance. If, after such notice, a contractor fails to come into
27 compliance within a timeframe established by the commissioner of the
28 department of environmental conservation, such contractor may, subject
29 to subparagraph (ii) of this paragraph, have either or both of the
30 following sanctions imposed:

31 A. The contract under which the violation occurred may be voided at
32 the option of the contracting agency or authority.

33 B. The contractor may be assessed a penalty that shall be the greater
34 of one thousand dollars or an amount equaling twenty percent of the
35 value of the product that the state agency or authority demonstrates was
36 furnished in violation of this subdivision. A hearing or opportunity to
37 be heard shall be provided prior to the assessment of any penalty.

38 (ii) Notwithstanding subparagraph (i) of this paragraph, a contractor
39 that has complied with the provisions of subparagraph (iii) of paragraph
40 b of this subdivision shall not be subject to sanctions for violations,
41 of which the contractor had no knowledge, of the requirements of this
42 subdivision that were committed solely by a subcontractor. Sanctions
43 described under subparagraph (i) of this paragraph shall instead be
44 imposed against the subcontractor that committed the violation.

45 d. (i) Any state agency or authority that investigates a complaint
46 against a contractor or subcontractor for violation of this subdivision
47 may limit its investigation to evaluating the information provided by
48 the person or entity submitting the complaint and the information
49 provided by the contractor or subcontractor.

50 (ii) Whenever a contracting officer of the contracting agency or
51 authority has reason to believe that the contractor failed to comply
52 with paragraph b of this subdivision, the agency or authority shall
53 refer the matter for investigation to the head of the agency or authori-
54 ty and, as the head of the agency or authority determines appropriate,
55 to either the office of the attorney general or the department of envi-
56 ronmental conservation.

1 e. (i) When a state agency or authority's contract for the purchase of
2 a commodity or product covered by this subdivision is to be awarded to
3 the lowest responsible bidder, an otherwise qualified bidder who is a
4 small or medium-sized business or a minority or women-owned business
5 enterprise, or who will fulfill the contract through the use of New York
6 state products, may be given preference over other bidders, provided
7 that the cost included in the bid is not more than ten percent greater
8 than the cost included in a bid that is not from a small or medium-sized
9 business or a minority or women-owned business enterprise or fulfilled
10 through the use of New York state products.

11 (ii) The provisions of this paragraph shall not apply if the head of
12 the contracting state agency or authority purchasing such products, in
13 such head of such state agency's sole discretion, determines that giving
14 preference to bidders pursuant to the provisions of this paragraph
15 would:

16 (a) be against the public interest;

17 (b) increase the cost of the contract by an unreasonable amount; or

18 (c) New York state products cannot be obtained in sufficient and
19 reasonable available quantities and of satisfactory quality to meet the
20 contracting state agency or authority's requirements.

21 (iii) Nothing in this paragraph shall be construed to conflict with or
22 otherwise limit the goals and requirements set forth by section one
23 hundred sixty-two of this article, article fifteen-A of the executive
24 law, or article three of the veterans' services law.

25 f. Prior to issuing regulations pursuant to paragraph g of this subdi-
26 vision, the commissioner of the department of environmental conservation
27 shall convene four meetings with relevant stakeholders, including but
28 not limited to:

29 (i) representatives of current or former state contractors dealing in
30 products containing each of the tropical forest-risk commodities speci-
31 fied in subparagraph (ii) of paragraph a of this subdivision, with an
32 emphasis on small and medium-sized businesses;

33 (ii) representatives not affiliated with covered industries with rele-
34 vant expertise in supply chain traceability, tropical forest sustaina-
35 bility, biodiversity, climate science, human and labor rights, and
36 indigenous rights; and

37 (iii) representatives from indigenous communities within the geograph-
38 ic areas containing tropical forests covered by this subdivision.

39 g. On or before July first, two thousand twenty-seven, the commis-
40 sioner of the department of environmental conservation shall adopt regu-
41 lations for the implementation of this subdivision. Such regulations
42 shall be developed in consultation with the commissioner of the office
43 of general services. Such regulations shall include, but not be limited
44 to, all of the following:

45 (i) A list of tropical forest-risk commodities subject to the require-
46 ments of this subdivision, including, but not limited to, palm oil,
47 beef, coffee, cocoa, wood pulp and paper. The list shall be reviewed and
48 updated at least every three years. When evaluating inclusion of addi-
49 tional commodities in the list, the commissioner of the department of
50 environmental conservation shall consider the impact of the commodity as
51 a driver of tropical deforestation or tropical forest degradation, the
52 state of existing supply chain transparency and traceability systems for
53 the commodity, the volume or quantity of products comprised wholly or in
54 part of the commodity that are regularly purchased by state agencies or
55 authorities, and the feasibility of including the commodity in the
56 requirements of this subdivision. The first review shall include, but

1 not be limited to, evaluation of soy, rubber, bananas, avocados, sugar-
2 cane, leather and other cattle-derived products, and mining products.
3 Following a review of the list of tropical forest-risk commodities, the
4 commissioner shall issue a report to the governor, the temporary presi-
5 dent of the senate, and the speaker of the assembly, outlining the
6 reasons for the inclusion or non-inclusion of any reviewed commodities.

7 (ii) A list of covered tropical forest-risk product types comprised
8 wholly or in part of tropical forest-risk commodities. Such list shall
9 be updated no less frequently than every three years. In developing such
10 list, the department shall consider:

11 A. The state of existing supply chain traceability and transparency
12 systems for the product type.

13 B. The volume, quantity, or monetary value of such product type regu-
14 larly procured by state agencies or authorities, with priority given to
15 product types procured in high volumes or quantities or with high mone-
16 tary value.

17 C. The relative complexity of identifying the presence of tropical
18 forest-risk commodities in the product type.

19 D. The proportion of the product type comprised of tropical forest-
20 risk commodities.

21 E. The availability of substitute products produced using commodities
22 sourced from New York State or within the United States.

23 F. Maximizing the deforestation-reduction impact of the policy estab-
24 lished pursuant to this subdivision while limiting the administrative
25 burden of implementation, including consideration of a phased-in
26 approach to implementation with the goal of covering all product types
27 regularly procured by state agencies or authorities containing more than
28 de minimus amounts of tropical forest-risk commodities or their deriva-
29 tives no later than January first, two thousand thirty-two. For food
30 products, more than de minimus amounts shall include components listed
31 as an ingredient.

32 (iii) Specific supply chain due diligence measures based on interna-
33 tional best practices that contractors must perform before making the
34 certification required by this subdivision. For any products comprised
35 wholly or in part of tropical forest-risk commodities that were
36 extracted from, grown, harvested, or reared on land in a country or
37 countries that do not contain tropical forests, a contractor shall only
38 be required to demonstrate that such commodities originated in such
39 country or countries. If information, documents, and data that meet the
40 requirements of the due diligence measures established pursuant to this
41 subparagraph have been produced by a supplier from whom the contractor
42 has been supplied covered products, and have been provided to the
43 contractor or made publicly available, such information, documents, and
44 data may constitute sufficient due diligence on the part of the contrac-
45 tor to comply with this paragraph.

46 (iv) A process for developing, with an opportunity for public input,
47 list of favored suppliers of tropical forest-risk commodities and
48 products derived therefrom whose products have been determined to meet
49 the requirements of this subdivision, and a process through which
50 suppliers may apply for inclusion on such list. Such list shall be made
51 publicly available no later than one hundred eighty days after the
52 adoption of regulations pursuant to this paragraph, and shall be updated
53 not less than annually.

54 (v) The full set of requirements for a large contractor's tropical
55 forest policy pursuant to subparagraph (iv) of paragraph b of this
56 subdivision.

1 (vi) The process through which contractors shall certify to the
2 department of environmental conservation that they are in compliance
3 with paragraph b of this subdivision.

4 (vii) A process for ensuring that details of certifications are made
5 available for public inspection on the website of the department of
6 environmental conservation.

7 (viii) An easily accessible procedure to receive public complaints and
8 information regarding violations of this subdivision.

9 h. The certification requirements set forth in this subdivision shall
10 not apply to a credit card purchase of goods of fifteen thousand dollars
11 or less.

12 i. This subdivision shall apply to all contracts entered into,
13 extended, or renewed on or after January first, two thousand twenty-
14 eight.

15 j. Commencing two years after the effective date of this subdivision
16 and biennially thereafter, the commissioner of the department of envi-
17 ronmental conservation shall issue a report to the governor, the tempo-
18 rary president of the senate, and the speaker of the assembly, on the
19 implementation of this subdivision and subdivisions one and two of this
20 section.

21 § 6. The economic development law is amended by adding a new article
22 28 to read as follows:

23 ARTICLE 28

24 SUPPLY CHAIN TRANSPARENCY ASSISTANCE PROGRAM

25 Section 500. Definitions.

26 501. The supply chain transparency assistance program.

27 § 500. Definitions. For purposes of this article:

28 1. "Small business" means a small business as defined in section one
29 hundred thirty-one of this chapter.

30 2. "Medium-sized business" shall mean a business that is resident in
31 this state, independently owned and operated, not dominant in its field,
32 and employs between one hundred and five hundred persons.

33 3. "Eligible business" shall mean any small and medium-sized business
34 as defined in this article, and any minority or women-owned business
35 enterprise as defined in article fifteen-A of the executive law.

36 4. "Supply chain" shall mean a system of extraction, production,
37 transportation, and distribution involving multiple processes, organiza-
38 tions, individuals, and resources, beginning with raw materials and
39 culminating in the delivery of a product or service to a consumer.

40 § 501. The supply chain transparency assistance program. 1. The
41 department is hereby authorized and directed, within one year of the
42 effective date of this article, to establish, develop, implement, and
43 maintain, within available appropriations, a supply chain transparency
44 assistance program to assist small and medium-sized businesses and
45 minority and women-owned businesses in achieving supply chains that are:

46 (a) Transparent, meaning a supply chain for which sufficient informa-
47 tion has been disclosed regarding all relevant units of production from
48 the raw material stage to the delivery of a product or service to a
49 consumer, including, but not limited to, extraction sites, suppliers,
50 manufacturers, transporters, wholesalers, and retailers, to allow
51 consumers to determine whether the supply chain is ethical and sustaina-
52 ble.

53 (b) Traceable, meaning a supply chain for which distributors, retail-
54 ers, and other businesses down the supply chain are able to gather
55 sufficient and relevant information regarding all units of production

1 further up the supply chain to determine whether a supply chain is
2 ethical and sustainable.

3 (c) Ethical, meaning a supply chain that upholds the human rights and
4 all other legal rights, supports the well-being, and prevents the
5 exploitation, of workers and communities, and guarantees the free,
6 prior, and informed consent, land, and other legal rights of affected
7 indigenous peoples and other local and traditional communities.

8 (d) Sustainable, meaning a supply chain that takes all necessary meas-
9 ures to avoid, minimize, and reduce degradation of natural environmental
10 systems, and maximizes efforts to contribute to the restoration and
11 regeneration of impacted ecosystems.

12 2. The purpose of such program shall be to:

13 (a) Develop and share best practices and provide technical assistance
14 to help participating eligible businesses develop and implement stand-
15 ards, plans, and benchmarks for transparency and traceability, environ-
16 mental sustainability, and ethical practices throughout their supply
17 chains.

18 (b) Assist participating eligible businesses with compliance with
19 supply chain related regulations, procurement standards, or contracting
20 requirements.

21 (c) Identify funding streams, grant monies, financial assistance and
22 other resources that may be available to help participating eligible
23 businesses achieve transparent, traceable, ethical, and sustainable
24 supply chains.

25 (d) Help participating eligible businesses with marketing, communi-
26 cation, and other activities to achieve maximum competitive advantage
27 from their transparent, traceable, ethical, and sustainable supply
28 chains.

29 (e) Conduct market analysis to identify opportunities for participat-
30 ing eligible businesses to access new markets and increase competitive-
31 ness through achieving transparent, traceable, ethical, and sustainable
32 supply chains.

33 (f) Conduct outreach to promote awareness of the program among eligi-
34 ble businesses, business organizations, and regional and local economic
35 development agencies.

36 § 7. This act shall take effect on the ninetieth day after it shall
37 have become a law and shall apply to all contracts and binding contrac-
38 tual obligations entered into on and after such effective date.