2025 SB9 Acquisition of Drones and Drone Components

April 21, 2025

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Effective July 1, 2025, the bill prohibits future purchase or acquiring a drone or any related services, maintenance agreements or equipment, the critical components of which were: (1) Produced in any country of concern; or (2) produced or owned by any foreign principal. Unlike the proposed Missouri drone bill some of you may have heard about, this bill does not prohibit continued use of existing drones. But it does have restrictions on buying parts manufactured in a "country of concern" for existing drones. The good news there are some exceptions to those prohibitions.

The bill defines "country of concern" as the (A) People's Republic of China, including the Hong Kong special administrative region; (B) Republic of Cuba; (C) Islamic Republic of Iran; (D) Democratic People's Republic of Korea; (E) Russian Federation; and (F) Bolivarian Republic of Venezuela. It does not include the Republic of China (Taiwan).

A "foreign principle" is defined as (1) The government or any official of the government of a country of concern; (2) any political party, subdivision thereof or any member of a political party of a country of concern; (3) any corporation, partnership, association, organization or other combination of persons organized under the laws of or having its principal place of business in a country of concern. "Foreign principal" includes any subsidiary owned or wholly controlled by any such entity; (4) any agent of or any entity otherwise under the control of a country of concern; (5) any individual whose residence is in a country of concern and who is not a citizen or lawful permanent resident of the United States; or (6) any individual, entity or combination thereof described in paragraphs (1) through (5) that has a controlling interest in any company formed for the purpose of manufacturing, distributing, transporting or selling critical components for drones and related services and equipment.

"Any acquisition" includes purchase of devices or of components to maintain current devices.

Clearly these definitions include the DJI drones, the most common drone brand in Kansas local law enforcement, along with other less popular brands. It might also impact a drone manufactured in other acceptable countries if "critical components" are imported by the manufacturer from a source related to a "country of concern."

IMPORTANT EXEMPTIONS:

The bill contains several exemptions allowing use of existing drones beyond July 1, 2025.

"Any critical components for drones or any related services or equipment that were
acquired prior to July 1, 2025, and that are not in compliance with section 12, subsection
(a) may continue to be used by the governmental agency that acquired such critical
components. [There is no end date stated for the use of items acquired before July 1,
2025.]

- The provisions of this section [the entire section 12 of the bill] shall not apply to any contract or agreement entered into prior to July 1, 2025. There are no other limitations presented in the bill to this exception. Any contract for purchase or for maintenance services including replacement parts remains in effect for the duration of the contracted period. No other permission or authorization, as referenced below, is needed. [New Section 12, subsection (d)]
- If no other option is available that fulfills the mission requirements, an agency may apply with the Kansas Department of Administration for an exception and authorization to purchase a restricted device or drone component.

<u>Any acquisition</u> that is otherwise prohibited under section 12, subsection (a) or (b) may be completed by a governmental agency if:

- (1) There is no other reasonable means to acquire such critical components or of addressing the needs of the governmental agency necessitating such acquisition;
- (2) the agreement for such acquisition is <u>approved by the secretary of</u> administration after consultation with the adjutant general; **and**
- (3) <u>failure to acquire</u> such critical components <u>or otherwise address the needs of</u> <u>the governmental agency would pose a greater threat to the safety and security of</u> <u>this state than that posed by entering into such acquisition agreement</u>.
- All three provisions must be met.
- "No other means to acquire such critical components" is intended to cover things
 only manufactured by a country of concern or other sources connected to a country
 of concern. Primarily this would cover components such as batteries, rotors, etc. But
 it can include a drone or circuit boards and other electronic components if all three
 conditions for the exemption are met, and the purchase is approved.
- These exceptions were intentionally included in the bill through discussion on a similar bill last year.

Agencies may consider:

- Stockpiling certain consumable parts for their devices prior to July 1, 2025
- Entering into contractual agreements for drone-related purchases. These must be in place prior to July 1, 2025.
- Entering into contractual agreements for ongoing maintenance and parts supply for their currently owned devices. These must be in place prior to July 1, 2025.

A copy of the two sections of the bill relative to drones is attached. The bill creates two new statutes, and it is not clear where the Revisor will place the new statutes or what the statute numbers will be.

NOTE: The author is not an attorney and this is not legal advice. You should verify the information above with your local legal staff and/or purchasing agents.

New Statutes on Acquiring Drones or Drone Components

Effective 7/1/25

Sections 12 and 13 of SB9 (pages 8 and 9) at this link:

https://www.kslegislature.gov/li/b2025 26/measures/documents/sb9 enrolled.pdf

New Sec. 12.

- (a) In addition to the provisions of K.S.A. 75-3739, and amendments thereto, and any other applicable statutes concerning purchases, a governmental agency shall not purchase or acquire any drone or any related services, maintenance agreements or equipment, the critical components of which were:
 - (1) Produced in any country of concern; or
 - (2) produced or owned by any foreign principal.
- (b) Any critical components for drones or any related services or equipment that were acquired prior to July 1, 2025, and that are not in compliance with subsection (a) may continue to be used by the governmental agency that acquired such critical components. When a governmental agency determines that a critical component must be replaced, the governmental agency may use any replacement component acquired prior to July 1, 2025, but no new replacement component shall be acquired from any foreign principal.
- (c) Any acquisition that is otherwise prohibited under subsection (a) or (b) may be completed by a governmental agency if:
 - (1) There is no other reasonable means to acquire such critical components or of addressing the needs of the governmental agency necessitating such acquisition;
 - (2) the agreement for such acquisition is approved by the secretary of administration after consultation with the adjutant general; and
 - (3) failure to acquire such critical components or otherwise address the needs of the governmental agency would pose a greater threat to the safety and security of this state than that posed by entering into such acquisition agreement.
- (d) The provisions of this section shall not apply to any contract or agreement entered into prior to July 1, 2025.

New Sec. 13. As used in section 12, and amendments thereto:

- (a) "Company" means any:
 - (1) For-profit corporation, partnership, limited partnership, limited liability partnership, limited liability company, joint venture, trust, association, sole proprietorship or other organization, including any:
 - (A) Subsidiary of such company, a majority ownership interest of which is held by such company;
 - (B) parent company that holds a majority ownership interest of such company;
 - (C) other affiliate or business association of such company whose primary purpose is to make a profit; and
 - (D) representative agent of such company; or
 - (2) nonprofit organization.
- (b) (1) "Country of concern" means the following:
 - (A) People's republic of China, including the Hong Kong special administrative region;
 - (B) republic of Cuba;
 - (C) islamic republic of Iran;

- (D) democratic people's republic of Korea;
- (E) Russian federation; and
- (F) Bolivarian republic of Venezuela.
- (2) "Country of concern" does not include the republic of China House Substitute for (Taiwan).
- (c) (1) "Critical component" means those components or subcomponents that are:
 - (A) Distinct and serviceable articles; and
 - (B) the primary component or subcomponent of an identifiable process or subprocess necessary to the recording, storing or transmitting of data or any other form of information.
 - (2) "Critical component" includes any software installed in a drone or in any device or network device used in support of the operations of a drone.
- (d) "Domicile" means the country where a:
 - (1) Company is organized;
 - (2) company completes a substantial portion of its business; or
 - (3) majority of a company's ownership interest is held.
- (e) "Drone" means an unmanned aircraft that is controlled remotely by a human operator or operates autonomously through computer software or other programming.
- (f) "Foreign principal" means:
 - (1) The government or any official of the government of a country of concern;
 - (2) any political party, subdivision thereof or any member of a political party of a country of concern;
 - (3) any corporation, partnership, association, organization or other combination of persons organized under the laws of or having its principal place of business in a country of concern. "Foreign principal" includes any subsidiary owned or wholly controlled by any such entity;
 - (4) any agent of or any entity otherwise under the control of a country of concern;
 - (5) any individual whose residence is in a country of concern and who is not a citizen or lawful permanent resident of the United States; or
 - (6) any individual, entity or combination thereof described in paragraphs (1) through (5) that has a controlling interest in any company formed for the purpose of manufacturing, distributing, transporting or selling critical components for drones and related services and equipment.
- (g) "Governmental agency" means the state or any political or taxing subdivision of the state or any office, agency or instrumentality thereof.