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| Tab 1 | SR 8-C by Berman ; (Similar to H 00009C) Support for the State of Israel |
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| Tab 2 | SB 10-C by Avila ; (Identical to H 00005C) Scrutinized Companies |
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The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

RULES
Senator Mayfield, Chair
Senator Perry, Vice Chair

MEETING DATE: Monday, November 6, 2023
TIME: 2:30—4:30 p.m.
PLACE: *Pat Thomas Committee Room, 412 Knott Building*

MEMBERS: Senator Mayfield, Chair; Senator Perry, Vice Chair; Senators Baxley, Book, Boyd, Brodeur, Broxson, Burgess, Burton, DiCeglie, Garcia, Hooper, Hutson, Jones, Osgood, Rodriguez, Rouson, Simon, Torres, and Yarborough

| TAB | BILL NO. and INTRODUCER | BILL DESCRIPTION and SENATE COMMITTEE ACTIONS | COMMITTEE ACTION |
|-----|--|---|-----------------------------|
| 1 | SR 8-C Berman (Similar HR 9-C, Compare HR 11-C) | Support for the State of Israel; Expressing support for the State of Israel and condemning the attacks and hateful actions by the Hamas terrorist group, etc. RC 11/06/2023 Favorable | Favorable Yeas 19 Nays 0 |
| 2 | SB 10-C Avila (Identical H 5-C) | Scrutinized Companies; Revising the definition of the term "scrutinized company"; requiring the State Board of Administration to identify and maintain the Scrutinized Companies with Activities in Iran Terrorism Sectors List; providing that companies on the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List as of a specified date are deemed, beginning on a certain date, to be on the Scrutinized Companies with Activities in Iran Terrorism Sectors List until removed pursuant to specified procedures; providing that certain entities are ineligible to, and may not, bid on, submit a proposal for, or enter into or renew certain contracts, etc. RC 11/06/2023 Favorable | Favorable Yeas 19 Nays 0 |

Other Related Meeting Documents

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Rules

BILL: SR 8-C

INTRODUCER: Senator Berman

SUBJECT: Support for the State of Israel

DATE: November 2, 2023

REVISED: _____

| ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|------------|----------------|-----------|------------------|
| 1. Twogood | Twogood | RC | Favorable |

I. Summary:

SR 8-C expresses support for the State of Israel and condemns the attacks and hateful actions by the Hamas terrorist group, as well as all persistent threats against Jewish people, institutions, and communities.

II. Present Situation:

United States-Israel Relations

After Israel's founding in 1948, the United States was the first country to recognize the State of Israel.¹ United States-Israel relations are characterized by support, cultural resonance, and cooperative mutual interests. The shared democratic values and religious affinities of the two countries have contributed to the bilateral ties.²

Israel's security concerns influence United States policy considerations regarding the Middle East, and the United States maintains an ongoing commitment to provide security assistance to Israel.³ In addition to the United States' general expedition of aid and arms sales to Israel, a 10-year bilateral military aid memorandum of understanding commits the United States to provide Israel \$3.3 billion in Foreign Military Financing and to spend \$500 million annually on joint missile defense programs from fiscal year 2019 to fiscal year 2028.⁴

Iran and Hamas

The Islamic Republic of Iran is the governing body of the country of Iran. As a result of the Iranian takeover of the American Embassy on November 4, 1979, the United States and Iran

¹ U.S. Dept. of State, *U.S. Relations with Israel*, January 30, 2023, <https://www.state.gov/u-s-relations-with-israel-2/> (last visited October 31, 2023).

² *Id.*

³ Congressional Research Service report, *Israel: Background and U.S. Relations*, February 3, 2022, <https://crsreports.congress.gov/product/pdf/R/R44245/103> (last visited October 31, 2023).

⁴ *Id.*

severed diplomatic relations in April 1980. Since then, the United States and Iran have had no formal diplomatic relationship.⁵

The United States has designated Iran a state sponsor of terrorism due to its repeated support for acts of international terrorism.⁶ Regionally, Iran has supported acts of terrorism in Bahrain, Iraq, Lebanon, Syria, and Yemen through proxies and partner groups such as Hezbollah and Hamas. Globally, Iran has supported terrorist recruitment, financing, and plots across Africa, Asia, Europe, and North and South America.⁷

According to the U.S. National Counterterrorism Center, Hamas is the largest and most capable militant group in the Palestinian territories and is committed to armed resistance against Israel and to the creation of an Islamic Palestinian State in Israel's place. Hamas has been the de facto governing body in the Gaza Strip since 2007⁸ and is a designated foreign terrorist organization.⁹ It receives funding, weapons, and training from Iran, as well as some funds that are raised in Gulf Arab countries.¹⁰

Recent Hamas Attacks on Israel

On October 7, 2023, Hamas launched a surprise attack against Israel, shooting rockets and sending militants into a number of Israeli towns and cities.¹¹ During the attack, Hamas militants took over 200 hostages¹² and killed more than 1,400 civilians, including children and the elderly.¹³ Reports indicate additional atrocities involving rape and torture.¹⁴

⁵ U.S. Dept. of State, *U.S. Relations with Iran*, April 1, 2022, <https://www.state.gov/u-s-relations-with-iran/> (last visited October 31, 2023).

⁶ U.S. Dept. of State, *State Sponsors of Terrorism*, <https://www.state.gov/state-sponsors-of-terrorism/> (last visited October 31, 2023).

⁷ U.S. Dept. of State, *Country Reports on Terrorism 2021*, <https://www.state.gov/reports/country-reports-on-terrorism-2021/> (last visited October 31, 2023).

⁸ National Counterterrorism Center, *Foreign Terrorist Organizations: Hamas*, https://www.dni.gov/nctc/ftos/hamas_fto.html (last visited October 31, 2023).

⁹ The United States designates as "foreign terrorist organizations" foreign organizations that engage in terrorist activity that threatens the security of U.S. nationals or the national security (U.S. Dept. of State, *Designated Foreign Terrorist Organizations*, <https://www.state.gov/foreign-terrorist-organizations/> (last visited October 31, 2023)).

¹⁰ U.S. Dept. of State, *Country Reports on Terrorism 2021*, <https://www.state.gov/reports/country-reports-on-terrorism-2021/> (last visited October 31, 2023).

¹¹ The Washington Post, *Maps and videos show how the deadly surprise attack on Israel unfolded*, October 8, 2023, <https://www.washingtonpost.com/world/2023/10/07/israel-gaza-timeline-videos-maps/> (last visited October 31, 2023).

¹² The New York Times, *Israel's Attackers Took Over 200 Hostages. Here's What to Know About Them*, October 31, 2023, <https://www.nytimes.com/article/israel-hostages-hamas-explained.html> (last visited October 31, 2023).

¹³ The New York Times, *What We Know About the War Between Israel and Hamas*, October 31, 2023, <https://www.nytimes.com/article/israel-gaza-hamas-what-we-know.html> (last visited October 31, 2023).

¹⁴ Reuters, *Israeli forensic teams describe signs of torture, abuse*, October 15, 2023, <https://www.reuters.com/world/middle-east/israeli-forensic-teams-describe-signs-torture-abuse-2023-10-15/> (last visited October 31, 2023).

Following the attack, Israel declared war, beginning air strikes and blocking supplies from entering Gaza.¹⁵ The United States is providing military support to Israel in the ongoing conflict.¹⁶

Other Anti-Semitic Attacks

The U.S. Department of State uses the following definition of antisemitism:

A certain perception of Jews, which may be expressed as hatred toward Jews. Rhetorical and physical manifestations of antisemitism are directed toward Jewish or non-Jewish individuals and/or their property, toward Jewish community institutions and religious facilities.¹⁷

According to the most recent hate crimes report from the Office of the Attorney General, there were 148 reported hate crimes in Florida in 2021. The motivations for the hate crimes were:

- Race – 48 percent;
- Sexual orientation – 24.5 percent;
- Religion – 13.5 percent;
- Ethnicity – 7.4 percent;
- Homeless status – 2 percent; and
- Mental disability – 0.7 percent.¹⁸

Seventeen of the 20 religious hate crimes were committed against Jews.¹⁹

The Federal Bureau of Investigation reported that anti-Jewish incidents comprised 51.4 percent of all religion-related incidents reported in 2022.²⁰ In addition, Florida's Jewish community has recently been the target of anti-Semitic and hate messages.²¹

III. Effect of Proposed Changes:

The resolution declares that the Senate:

- Condemns the unprovoked and barbaric attacks by Hamas against Israel, its citizens, and Americans.

¹⁵ CNN, *Israel is at war with Hamas. Here's what to know*, October 28, 2023, <https://www.cnn.com/2023/10/28/middleeast/israel-hamas-gaza-war-explained-week-3-mime-intl/index.html> (last visited October 31, 2023).

¹⁶ U.S. Dept. of Defense, *U.S. Military Continues Focus on Supporting Israel, Ukraine*, October 26, 2023, <https://www.defense.gov/News/News-Stories/Article/Article/3570670/us-military-continues-focus-on-supporting-israel-ukraine/> (last visited October 31, 2023).

¹⁷ U.S. Dept. of State, *Defining Antisemitism*, <https://www.state.gov/defining-antisemitism/> (last visited October 31, 2023).

¹⁸ Office of the Attorney General, *Hate Crimes in Florida: January 1, 2021 – December 31, 2021*, <https://www.myfloridalegal.com/files/pdf/page/BE0185D36969417B852589270066D783/Web+Link.pdf> (last visited October 31, 2023).

¹⁹ *Id.*

²⁰ U.S. Dept. of Justice, *FBI Releases Supplement to the 2021 Hate Crime Statistics*, April 4, 2023, <https://www.justice.gov/crs/highlights/2021-hate-crime-statistics> (last visited October 31, 2023).

²¹ USA Today, *Florida lawmakers denounce anti-Semitic incidents over Labor Day weekend*, September 6, 2023, <https://www.usatoday.com/story/news/nation/2023/09/05/florida-disney-world-antisemitic/70772425007/> (last visited October 31, 2023).

- Unequivocally supports the right of the State of Israel to exist as a sovereign and independent nation.
- Supports the right of the State of Israel to defend itself and protect its citizens from indiscriminate violence and acts of terrorism.
- Demands the immediate end to any financial support, whether direct or indirect, of Hamas, the Iranian regime, Hezbollah, or any other entity that publicly supports these attacks and other terrorist activities.
- Rejects and condemns persistent threats against Jewish people, institutions, and communities in Florida, the United States, and abroad, including those from individuals and organizations committed to the extermination of the Jewish people.

The resolution specifies that a copy of the resolution shall be presented to each member of the Florida Delegation to the United States Congress and to the Ambassador of the State of Israel to the United States as a tangible token of the sentiments of the Florida Senate.

A Senate resolution is ceremonial in nature. It is an expression of the Senate as a body.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

None.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

By Senator Berman

26-00004A-23C

20238C__

Senate Resolution

A resolution expressing support for the State of Israel and condemning the attacks and hateful actions by the Hamas terrorist group.

WHEREAS, beginning on October 7, 2023, Hamas, a United States-designated Foreign Terrorist Organization, commenced an unprovoked attack on the State of Israel, killing more than 1,400 innocent individuals, including Israelis, Americans, and citizens of other nations, among whom were babies, young children, and the elderly, and raping or torturing countless defenseless individuals, and

WHEREAS, Hamas indiscriminately launched thousands of rockets at private homes, schools, and hospitals and took hundreds of individuals hostage, including young children and the elderly, and

WHEREAS, this breach of Israel's borders represents the most significant threat to its security since the Yom Kippur War in 1973, and

WHEREAS, following the initial attack by Hamas, the Lebanese militant group Hezbollah, backed by the Iranian regime and sharing Hamas' goal of destroying the Jewish state, has also waged a savage and unprovoked attack on the State of Israel and on October 22, 2023, launched antitank missiles into three areas in Israel, and

WHEREAS, the United States also suffered senseless losses, with many Americans brutally murdered and many more missing or taken hostage, and

WHEREAS, Hamas and the Iranian regime have called for the

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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deaths of Israelis, Americans, Jews, and Christians and have sought to incite acts of domestic terrorism against Jewish people and communities around the world, including in the State of Florida, and

WHEREAS, the Iranian regime provides financial and logistical support to such terrorist groups as Hamas and Hezbollah and has praised these recent unconscionable atrocities committed against innocent civilians, and

WHEREAS, the State of Florida recognizes the right of the State of Israel to exist as a sovereign and independent nation, and the right and obligation to defend itself, with the full rights and privileges afforded to all nations under international law, and

WHEREAS, the citizens and residents of Israel have the right to live a peaceful existence without the threat of indiscriminate violence and without fear of being attacked or persecuted simply because they are Jewish, and

WHEREAS, the State of Florida has a long-standing bond and alliance with the State of Israel and is proud to have the third-largest Jewish population in the United States, and

WHEREAS, the State of Florida prays for the people of the State of Israel and all those affected by this unjustified and heinous attack, NOW, THEREFORE,

Be It Resolved by the Senate of the State of Florida:

That the Senate of the State of Florida does hereby:

(1) Condemn the unprovoked and barbaric attacks by Hamas against Israel, its citizens, and Americans.

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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59 (2) Unequivocally support the right of the State of Israel
60 to exist as a sovereign and independent nation.

61 (3) Support the right of the State of Israel to defend
62 itself and protect its citizens from indiscriminate violence and
63 acts of terrorism.

64 (4) Demand the immediate end to any financial support,
65 whether direct or indirect, of Hamas, the Iranian regime,
66 Hezbollah, or any other entity that publicly supports these
67 attacks and other terrorist activities.

68 (5) Reject and condemn persistent threats against Jewish
69 people, institutions, and communities in the State of Florida,
70 the United States, and abroad, including those from individuals
71 and organizations committed to the extermination of the Jewish
72 people.

73 BE IT FURTHER RESOLVED that a copy of this resolution, with
74 the Seal of the Senate affixed, be presented to each member of
75 the Florida Delegation to the United States Congress and the
76 Ambassador of the State of Israel to the United States as a
77 tangible token of the sentiments of the Florida Senate.

The Florida Senate

APPEARANCE RECORD

Deliver both copies of this form to Senate professional staff conducting the meeting

8C

Bill Number or Topic

Amendment Barcode (if applicable)

11/6/23

Meeting Date

Rules

Committee

Name

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Speaking:

For

Against

Information

OR

Waive Speaking:

In Support

Against

PLEASE CHECK ONE OF THE FOLLOWING:

I am appearing without compensation or sponsorship.

I am a registered lobbyist, representing:

Broward County

I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022JointRules.pdf \(flsenate.gov\)](#)

This form is part of the public record for this meeting.

S-001 (08/10/2021)

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Rules

BILL: SB 10-C

INTRODUCER: Senator Avila

SUBJECT: Scrutinized Companies

DATE: November 2, 2023

REVISED: _____

| ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|-------------------|----------------|-----------|------------------|
| 1. <u>McVaney</u> | <u>Twogood</u> | <u>RC</u> | Favorable |

I. Summary:

SB 10-C amends the Protect Florida Investment Act to expand the definition of “scrutinized company” with activities in Iran. If the company meets the broader definition of “scrutinized company,” the State Board of Administration must divest current holdings in the Florida Retirement System portfolio and is prohibited from new investments in the securities of those companies.

The definition of “scrutinized company” is expanded to include any company doing business with the government of Iran in the energy, petrochemical, financial, construction, manufacturing, textile, mining, metals, shipping, shipbuilding, or port sectors. A company may be designated a scrutinized company if the company:

- Has, on or after January 10, 2024, at least 10 percent of its revenues or assets linked to Iran and involved in this broader array of industry sectors, and fails to adopt, publicize, and implement a formal plan to cease the scrutinized business operations within 1 year and to refrain from new business operations; or
- Has, with actual knowledge, on or after January 10, 2024, an investment of \$20 million or more in these industry sectors, including oil-related or mineral-extraction activities in Iran.

The bill renames the current “Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List” to the “Scrutinized Companies with Activities in Iran Terrorism Sectors List.” The companies on the current list as of November 6, 2023, are deemed to be on the renamed list until subsequently removed pursuant to process established in law.

The bill applies the current statutory restrictions and requirements on scrutinized companies to the renamed list of companies designated in the Scrutinized Companies with Activities in Iran Terrorism Sectors List. These newly designated scrutinized companies on the new Iran Terrorism Sectors List are ineligible to bid on, submit a proposal for, or enter into or renew a contract with an agency or local governmental entity for goods and services of \$1 million or more if the company is on the Iran Terrorism Sectors List.

The bill makes conforming changes to ss. 624.449 and 215.47, F.S.

The impact to state and local expenditures is indeterminate.

The bill takes effect upon becoming a law.

II. Present Situation:

Relevant Federal Law and Actions

State Sponsors of Terrorism

The United States Department of State (State Department) maintains a list of countries determined to have repeatedly provided support for acts of international terrorism.¹ The countries are designated "terrorist nations" under requirements in three federal laws: the Export Administration Act;² the Arms Export Control Act;³ and the Foreign Assistance Act.⁴ Taken together, the four main categories of sanctions resulting from designation under these authorities include restrictions on U.S. foreign assistance; a ban on defense exports and sales; certain controls over exports of dual use items; and miscellaneous financial and other restrictions.⁵ Currently, the State Department designates four countries under these authorities: Iran, Cuba, Syria, and the Democratic People's Republic of Korea (North Korea).⁶ The chart below shows the date each country was designated a terrorist nation.

| Country | Designation Date |
|---|-------------------------------|
| Syria | December 29, 1979 |
| Iran | January 19, 1984 |
| Democratic People's Republic of Korea (North Korea) | November 20, 2017 |
| Cuba | January 12, 2021 ⁷ |

Sanctions

The U.S. first imposed sanctions against Iran in 1979 in response to the Iran hostage crisis. The U.S. Secretary of State designated Iran as a state sponsor of acts of international terrorism in 1984;⁸ this triggered sanctions including a ban on U.S. foreign assistance, arms sales, and support in international financial institutions.⁹ In 1995, President Clinton issued two executive

¹ U.S. Department of State, *State Sponsors of Terrorism*, available at <https://www.state.gov/state-sponsors-of-terrorism/> (last visited October 29, 2023).

² 50 U.S.C. App 2405(j).

³ 22 U.S.C. s. 2780.

⁴ 22 U.S.C. s. 2371.

⁵ See, U.S. Department of State, *State Sponsors of Terrorism*, available at <https://www.state.gov/state-sponsors-of-terrorism/> (last visited October 29, 2023).

⁶ *Id.*

⁷ Cuba was designated as a State Sponsor of Terrorism on March 1, 1982. Cuba was officially removed from the list on May 29, 2015.

⁸ Dianne Rennack, Congressional Research Center, *State Sponsors of Acts of International Terrorism—Legislative Parameters: In Brief* at 1, (May 4, 2021), available at [State Sponsors of Acts of International Terrorism—Legislative Parameters: In Brief \(fas.org\)](https://www.crs.org/congress/legislation/state-sponsors-of-acts-of-international-terrorism-legislative-parameters-in-brief) (last visited November 1, 2023).

⁹ Clayton Thomas, Congressional Research Service, *Iran: Background and U.S. Policy* at 21 (Sep. 29, 2023), available at <https://crsreports.congress.gov/product/pdf/R/R47321> (last visited November 1, 2023).

orders; the first specifically prohibited trading in Iran’s petroleum industry, the second banned all American trade with, and investment in Iran.¹⁰ The early 2000’s were characterized by attempts to “persuade Iran to agree to limits to its nuclear program” and ultimately resulted in the agreement, pursuant to the Joint Comprehensive Plan of Action (JCPOA), to limit many of the previously implemented U.S. sanctions against Iran.¹¹ In 2018, U.S. participation in the JCPOA ended, and all U.S. sanctions against Iran were reimposed.¹²

Congress passed the **Iran and Libya Sanctions Act in 1996**¹³ (shortened to the “Iran Sanctions Act” in 2006), which authorized the President to implement secondary sanctions against firms (based in both the U.S. and foreign jurisdictions) that invest \$20 million or more in Iran’s petroleum sector, or other sectors that support the development of Iran’s petroleum sector.¹⁴ Companies that violate the act are subject to sanctions, including the denial of contracts with the U.S. government, and a prohibition on U.S. investment in or purchase of “significant amounts of equity or debt instruments” from the sanctioned entity.¹⁵ The act aims to “deny Iran the financial means to sustain its nuclear, chemical, biological, and missile weapons programs.”¹⁶ It also cites Iran’s “support of acts of international terrorism.” The Iran Sanctions Act will expire in December 2026 if Congress does not renew the legislation.

The **Comprehensive Iran Sanctions, Accountability, and Divestment act of 2010**

(CISADA)¹⁷ expands sanctions imposed by the Iran Sanctions Act relating to Iran’s petroleum industry to include liquefied natural gas (LNG), oil or LNG tankers, and products that relate to pipelines that transport oil or LNG. It also allows sanctions against any person that knowingly sells, leases, or provides any of the following at or above certain monetary thresholds:

- Goods, services, or technology that could directly and significantly facilitate the maintenance or expansion of Iran’s domestic production of refined petroleum products;
- Goods, services, or technology that could directly and significantly contribute to the enhancement of Iran’s ability to import refined petroleum products; or
- Refined petroleum products to Iran.

CISADA further codifies the U.S. ban on trade with and investments in Iran that were first imposed by Executive Order 12959 in 1995 and imposes sanctions on foreign banks that

¹⁰ Belfer Center for Science and International Affairs, *Sanctions Against Iran: A Guide to Targets, Terms, and Timetables* at 4 (Jun. 2015), available at <https://www.belfercenter.org/sites/default/files/legacy/files/Iran%20Sanctions.pdf> (last visited Nov. 1, 2023). See also, Exec. Order No. 12957, 60 CFR 14615 (Mar. 15, 1995) and Exec. Order No. 12959, 60 CFR 24757 (May 9, 1995).

¹¹ Clayton Thomas, Congressional Research Center, *Iran Sanctions* at 1, (Feb. 2, 2022), available at <https://crsreports.congress.gov/product/pdf/RS/RS20871> (last visited Nov. 1, 2023).

¹² *Id.*

¹³ 50 U.S.C. §1701 note, [https://uscode.house.gov/view.xhtml?req=\(title:50%20section:1701%20edition:prelim\)](https://uscode.house.gov/view.xhtml?req=(title:50%20section:1701%20edition:prelim)).

¹⁴ Support of Iran’s petroleum sector are defined as “...goods, services, technology, information, or support that could directly and significantly facilitate the maintenance or expansion of Iran’s domestic production of refined petroleum products, including direct and significant assistance with respect to the construction, modernization, or repair of petroleum refineries or directly associated infrastructure, including construction of port facilities, railways, and roads, the primary use of which is to support the delivery of refined petroleum products.”

¹⁵ Belfer Center for Science and International Affairs, *Sanctions Against Iran: A Guide to Targets, Terms, and Timetables* at 31-33 (Jun. 2015), available at <https://www.belfercenter.org/sites/default/files/legacy/files/Iran%20Sanctions.pdf> (last visited Nov. 1, 2023).

¹⁶ 50 U.S.C. §1701 ss. 2-3.

¹⁷ P.L. 111-195, 22 U.S.C. §§8501 et seq.

facilitate transactions for Iranian entities. Lastly, CISADA bars from federal procurements those entities that are subject to sanction under the act.¹⁸

The **Iran Threat Reduction and Syria Human Rights Act of 2012**¹⁹ expands sanctions that relate to Iran’s energy sector and prohibits foreign banks from allowing Iran to withdraw its funds.

The **Iran Freedom and Counter-Proliferation Act**²⁰ imposes the same sanctions set by the Iran Sanctions Act on entities that provide goods or services to Iranian energy, shipping or shipbuilding sectors, or that provide underwriting, insurance, or reinsurance to Iranian companies connected with the shipping or energy sectors. It also sanctions entities that provide precious metals to Iran.²¹

While federal law authorizes the imposition of sanctions, additional presidential action is generally required to implement sanctions. Current U.S. sanctions on Iran block Iranian government assets in the U.S., ban nearly all U.S. trade with Iran (except food and agricultural commodities, medicine, medical supplies, and humanitarian-related goods), and prohibit foreign assistance and arms sales.

| Executive Order | Subject |
|---|---|
| E.O. 12959 (May 1995) ²² | Bans U.S. firms from exporting to Iran, importing from Iran, or investing in Iran. |
| E.O. 13645 (June 2013)/ E.O. 13846 (Aug. 2018) ²³ | Reimposed sanctions lifted by the JCPOA—prohibits transactions related to the Iranian currency (rial); Iran’s automotive, petroleum, and petrochemical sectors; and persons who materially assist Specially Designated Nationals and Blocked Persons. |
| E.O. 13871 (May 2019) ²⁴ | Blocked transactions with entities that operate in Iran’s iron, steel, aluminum, and copper sectors. |
| E.O. 13902 (Jan. 2020) ²⁵ | Blocked U.S. transactions with entities operating in Iran’s construction, manufacturing, textiles, or mining sectors. |

¹⁸ 50 U.S.C. 1701 Note, s. 6 (b)(1). This provision is closely mirrored by the procurement provisions in s. 287.135, F.S.

¹⁹ P.L. 112-158, 22 U.S.C. §§8701 et seq.

²⁰ Sections 1244-1247, P.L. 112-239, 22 U.S.C. §§ 8801 et seq.

²¹ Belfer Center for Science and International Affairs, *Sanctions Against Iran: A Guide to Targets, Terms, and Timetables* at 35-36 (Jun. 2015), available at <https://www.belfercenter.org/sites/default/files/legacy/files/Iran%20Sanctions.pdf> (last visited Nov. 1, 2023).

²² Exec. Order No. 12959, 60 CFR 24757 (May 9, 1995), available at <https://www.govinfo.gov/content/pkg/FR-1995-05-09/pdf/95-11694.pdf> (last visited November 1, 2023).

²³ Exec. Order No. 13846, 83 CFR 38939 (August 6, 2018), available at <https://www.govinfo.gov/content/pkg/DCPD-201800524/pdf/DCPD-201800524.pdf> (last visited November 1, 2023).

²⁴ Exec. Order No. 13871, 84 CFR 20761 (May 8, 2019), available at <https://www.federalregister.gov/documents/2019/05/10/2019-09877/imposing-sanctions-with-respect-to-the-iron-steel-aluminum-and-copper-sectors-of-iran> (last visited November 1, 2023).

²⁵ Exec. Order No. 13902, 85 CFR 2003 (January 10, 2020), available at <https://www.federalregister.gov/documents/2020/01/14/2020-00534/imposing-sanctions-with-respect-to-additional-sectors-of-iran> (last visited November 1, 2023).

Preemption of State and Local Government Divestment

State and local governments may divest their assets from, or prohibit investment of their assets in, any person that they determine to be engaged in investment activities in Iran, subject to specific requirements outlined in CISADA.²⁶ CISADA provides that federal law or regulations do not preempt any state or local government action that divests from, or prohibits investment with specified parties, if the state or local government:

- Provides written notice to each person to which its divestment or investment prohibition measure will apply;
- Applies its divestment or investment prohibition no earlier than 90 days after it provides notice;
- Grants an opportunity for hearing, via written comment, to an affected party; and
- Avoids erroneous targeting of persons.

The state or local government is also required to provide notice to the Department of Justice within 30 days of adopting any such divestment or investment prohibition measure.²⁷

CISADA also created a safe harbor for state and local measures adopted before July 2, 2010, that divest from or prohibit investment in any person determined to “engage in investment activities in Iran,” as defined by the act.

Waiver or Termination of Federal Sanctions

Generally, Congress provides for presidential authority to terminate sanctions. For example, the CISADA and the Iran Threat Reduction and Syria Human Rights Act provisions end 30 days after the President certifies to Congress that (1) Iran neither supports acts of international terrorism, nor satisfies the requirements for designation as a state sponsor of terrorism, and (2) Iran ceased the pursuit, acquisition, and development of, and verifiably dismantled its nuclear, biological, and chemical weapons as well as ballistic missiles and ballistic missile launch technology.²⁸ Sanctions applied pursuant to the Iran Sanction Act and Iran Freedom and Counter-proliferation Act may be removed by a substantially similar certification by the President to Congress.²⁹

Relevant Florida Law

State Board of Administration - Generally

The State Board of Administration (SBA or board) is established by the State Constitution.³⁰ The board derives its powers to oversee state funds from Art. XII, s. 9 of the State Constitution and ch. 215, F.S. The board serves as the state’s investment management organization, with authority

²⁶ 22 U.S.C. §8532 defines “investment activities in Iran” as (1) having an investment of \$20,000,000 or more in the energy sector of Iran, including in a person that provides oil or liquefied natural gas tankers, or products used to construct or maintain pipelines used to transport oil or liquefied natural gas, for the energy sector of Iran; or (2) being a financial institution that extends \$20,000,000 or more in credit to another person, for 45 days or more, if that person will use the credit for investment in the energy sector of Iran.

²⁷ 22 U.S.C. §8532.

²⁸ See, 22 U.S.C. §8551 and 22 U.S.C. § 8785.

²⁹ 50 U.S.C. §1701 Note s. 8(a) and 22 U.S.C. §8809.

³⁰ Art. IV, s. 4(e) Fla. Const. (1968).

over 30 funds collectively valued at about \$228 billion as of June 30, 2022, including \$192.8 billion in the state's pension and investment plans for public employees, which accounts for 84 percent of assets under management.³¹ Other funds under management include the Florida Hurricane Catastrophe Fund, Department of the Lottery Fund, Florida Prepaid College and Florida College Investment Plan, FSU Research Foundation, Florida PRIME (surplus funds of local governments) and the Police and Firefighters' Premium Tax Trust Fund.³² The Governor, Chief Financial Officer, and Attorney General serve as the SBA's Board of Trustees (Trustees), and delegate operational authority to an executive director and chief investment officer, who oversee about 200 employees.³³ A nine-member Investment Advisory Council provides guidance on investment policy and strategy.³⁴

Specific Investment Responsibilities Relating to the Florida Retirement System Pension Plan

The State Board of Administration (SBA or board) is charged with investing the assets of the Florida Retirement System (both the Pension Plan and the Investment Plan). As fiduciaries, the Board and its Trustees must act in the best interests of the plan's participants and beneficiaries. Generally, when deciding whether to invest, the Board and the Trustees must make decisions based solely on pecuniary factors and may not subordinate the interests of participants and beneficiaries to other objectives, including sacrificing investment return or undertaking additional investment risk to promote any nonpecuniary interest.³⁵

In this instance, "pecuniary factor" means "a factor that the State Board of Administration prudently determines is expected to have a material effect on the risk or returns of an investment based on appropriate investment horizons consistent with applicable investment objectives and funding policy. The term does not include the consideration of the furtherance of any social, political, or ideological interests."³⁶

The Legislature has enacted three statutory exceptions to the normal fiduciary standards relating to investments of the FRS. The exceptions apply to investments in (a) certain companies doing business in Cuba, Syria, and Venezuela,³⁷ (b) certain companies doing business in Sudan or Iran,³⁸ and (c) certain companies that boycott Israel or engage in a boycott of Israel.³⁹ These statutory exceptions allow the Board and the Trustees to make decisions regarding investments in these "scrutinized companies" without regard to the pecuniary factors and nonpecuniary interests involved.

³¹ State Board of Administration, *Performance Report Month Ending June 30, 2022*, available at: <https://www.sbafla.com/fsb/Portals/FSB/Content/Trustees/2022/June%202022%20Monthly%20Trustee%20Report.pdf?ver=2022-08-24-133206-397> (last visited Oct. 30, 2023).

³² A full list of SBA-managed investment funds is available at <https://www.sbafla.com/fsb/FundsWeManage.aspx> (last visited Oct. 30, 2023).

³³ Section 215.44, F.S.; Summary Overview of the State Board of Administration of Florida, *supra* footnote 1.

³⁴ Section 215.444(2), F.S.

³⁵ Section 214.47(10)(b), F.S.

³⁶ Section 215.47(10)(a), F.S.

³⁷ Section 215.471, F.S.

³⁸ Section 215.473, F.S.

³⁹ Section 215.4725, F.S.

Protecting Florida Investments Act

In 2007, the Legislature enacted the Protecting Florida's Investments Act (PFIA).⁴⁰ The PFIA requires the SBA, acting on behalf of the Florida Retirement System Trust Fund (FRSTF), to assemble and publish a list of "scrutinized companies" that have prohibited business operations in Sudan and Iran. Once placed on either list of scrutinized companies, the SBA and its investment managers are prohibited from acquiring those companies' securities⁴¹ and are required to divest those securities if the companies do not cease the prohibited activities or take certain compensating actions.⁴² The definition of "company" for purposes of the PFIA includes all wholly-owned subsidiaries, majority-owned subsidiaries, parent companies, or affiliates of such entities or business associations.⁴³

The term "public fund" is defined as "all assets of the FRS held by the SBA in its capacity as a fiduciary pursuant to chapter 121."⁴⁴ This means those assets of the Florida Retirement System - both the pension plan as well as the investment plan.

To be designated a "scrutinized company" related to business operations in Iran, the company must have business operations that involve contracts with, or provide supplies or services to, the Iranian government or a companies in which the Iranian government has an equity share, a consortium involving the Iranian government, or a project commissioned by the government; and either:

- More than 10 percent of the company's total revenues or assets are linked to Iran and involve oil-related activities or mineral-extraction activities, and the company has failed to take substantial action; or
- The company has, with actual knowledge, on or after August 5, 1996, made an investment of \$20 million or more, or any combination of investments of at least \$10 million each, which in the aggregate equals or exceeds \$20 million in any 12-month period, and which directly or significantly contributes to the enhancement of Iran's ability to develop the petroleum resources of Iran.⁴⁵

The Board must make its best efforts to identify all scrutinized companies in which the FRS has direct or indirect holdings.⁴⁶ To this end, the Board has contracted with "external research" providers. After these providers have identified the potential companies meeting the definition of scrutinized company, the Board's staff review the providers' assessments and, using other publicly available information, make determinations as to whether a company has engaged in scrutinized business operations and as to whether those operations have ceased.

From this information and assessments, the Board will begin to interact with the identified companies. If the company only has inactive business operations, the Board must send a written notice informing the company of this law and encourage the company to continue to refrain from

⁴⁰ Chapter 2007-88, Laws of Florida, codified as s. 215.473, F.S.

⁴¹ Section 215.473(3)(c), F.S.

⁴² Section 215.473(3)(b), F.S.

⁴³ Section 215.473(1)(d), F.S.

⁴⁴ Section 215.473(1)(s), F.S.

⁴⁵ Section 215.473(1)(v), F.S.

⁴⁶ Section 215.473(2)(a), F.S.

initiating active business operations.⁴⁷ For a company identified which has active business operations, the Board must send a written notice informing the company of its scrutinized company status and that it may become subject to divestment by the FRS. The company has the opportunity to clarify its activities and cease scrutinized business operations or convert such operations to inactive business operations within 90 days in order to avoid qualifying for divestment.⁴⁸ If the company ceases scrutinized business operations within 90 days after the notice, the company will be removed from the “scrutinized companies” list, and the provisions of the PFIA cease to apply to the company. If the company converts to inactive business operations, portions of the PFIA cease to apply.⁴⁹

If, after 90 days following the Board’s initial engagement with a company, the company continues to have scrutinized business operations, the board must divest all publicly traded securities of the company, unless the federal government affirmatively declares the company to be excluded from federal sanctions. The divestment may take no longer than 12 months from the company’s most recent appearance on the scrutinized companies lists.⁵⁰ The Board is prohibited from acquiring, on behalf of the FRS, any securities of companies on the scrutinized companies lists.⁵¹

Divestment does not apply to indirect holdings in actively managed commingled investment funds—i.e., where the SBA is not the sole investor in the fund. Private equity funds are considered to be actively managed.

Relevant Sudan or Iran portions of the PFIA are discontinued if the Congress or President of the United States passes legislation, executive order, or other written certification that:

- Darfur genocide has been halted for at least 12 months;⁵²
- Sanctions imposed against the Government of Sudan are revoked;⁵³
- Government of Sudan honors its commitments to cease attacks on civilians, demobilize and demilitarize the Janjaweed and associated militias, grant free and unfettered access for deliveries of humanitarian assistance, and allow for the safe and voluntary return of refugees and internally displaced persons;⁵⁴
- Government of Iran has ceased to acquire weapons of mass destruction and support international terrorism;⁵⁵
- Sanctions imposed against the government of Iran are revoked;⁵⁶ or
- Mandatory divestment of the type provided for by the PFIA interferes with the conduct of U.S. foreign policy (however, this provision applies only to divestment from Sudan).⁵⁷

⁴⁷ Section 215.473(3)(a)2., F.S.

⁴⁸ Section 215.473(3)(a)3., F.S.

⁴⁹ Section 215.473(3)(a)4., F.S.

⁵⁰ Section 215.473(3)(b)1., F.S.

⁵¹ Section 215.473(3)(c), F.S.

⁵² Section 215.473(5)(a)1., F.S.

⁵³ Section 215.473(5)(a)2., F.S.

⁵⁴ Section 215.473(5)(a)3., F.S.

⁵⁵ Section 215.473(5)(b)1., F.S.

⁵⁶ Section 215.473(5)(b)2., F.S.

⁵⁷ Section 215.473(5)(a)4., F.S.

The board's actions taken in compliance with this act must be adopted and incorporated into the FRSTF investment policy statement as provided in s. 215.475, F.S. Changes to the IPS are reviewed by the Investment Advisory Council (IAC) and approved by the Trustees.⁵⁸

Cessation of divestment and/or reinvestment into previously divested companies may occur if the value of all FRSTF assets under management decreases by 50 basis points (0.5 percent) or more as a result of divestment.⁵⁹ If cessation of divestment is triggered, the SBA is required to provide a written report to each member of the Board of Trustees, the President of the Senate, and the Speaker of the House of Representatives prior to initial reinvestment.⁶⁰ Such condition is required to be updated semiannually.⁶¹

Procurement by Governmental Entities

Chapter 287, F.S., regulates state agency⁶² procurement of personal property and services.⁶³ Agencies may use a variety of procurement methods, depending on the cost and characteristics of the needed good or service, the complexity of the procurement, and the number of available vendors. These include the following:

- "Single source contracts," which are used when an agency determines that only one vendor is available to provide a commodity or service at the time of purchase;
- "Invitations to bid," which are used when an agency determines that standard services or goods will meet needs, wide competition is available, and the vendor's experience will not greatly influence the agency's results;
- "Requests for proposals," which are used when the procurement requirements allow for consideration of various solutions and the agency believes more than two or three vendors exist who can provide the required goods or services; and
- "Invitations to negotiate," which are used when negotiations are determined to be necessary to obtain the best value and involve a request for high complexity, customized, mission-critical services, by an agency dealing with a limited number of vendors.⁶⁴

Contracts for commodities or contractual services in excess of \$35,000 must be procured utilizing a competitive solicitation process.⁶⁵ However, specified contractual services and commodities are not subject to competitive-solicitation requirements.⁶⁶

⁵⁸ Section 215.473(6), F.S.

⁵⁹ Section 215.473(7), F.S.

⁶⁰ *Id.*

⁶¹ *Id.*

⁶² As defined in s. 287.012(1), F.S., "agency" means any of the various state officers, departments, boards, commissions, divisions, bureaus, and councils and any other unit of organization, however designated, of the executive branch of state government. "Agency" does not include the university and college boards of trustees or the state universities and colleges.

⁶³ Generally, local governments are not subject to the provisions of ch. 287, F.S. Local governmental units may look to the chapter for guidance in the procurement of goods and services, but many have local policies or ordinances to address competitive solicitations.

⁶⁴ See ss. 287.012(6) and 287.057, F.S.

⁶⁵ Section 287.057(1), F.S., requires all projects that exceed the Category Two (\$35,000) threshold contained in s. 287.017, F.S., to be competitively bid. As defined in s. 287.012(6), F.S., "competitive solicitation" means 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.

⁶⁶ See s. 287.057(3)(e), F.S.

Chapter 287, F.S., establishes a process by which a person may file an action protesting a decision or intended decision pertaining to contracts administered by the Department of Management Services (DMS), a water management district, or state agencies.⁶⁷

The DMS is statutorily designated as the central executive agency procurement authority and its responsibilities include: overseeing agency implementation of the ch. 287, F.S., competitive procurement process;⁶⁸ creating uniform agency procurement rules;⁶⁹ implementing the online procurement program;⁷⁰ and establishing state term contracts.⁷¹ The agency procurement process is partly decentralized in that an agency, except in the case of state term contracts, may procure goods and services itself in accordance with requirements set forth in statute and rule, rather than placing orders through the DMS.

Prohibition against Contracting with Scrutinized Companies and Companies Engaged in Business Operations in Cuba or Syria

Section 287.135(2), F.S., prohibits a company on the Scrutinized Companies with Activities in Sudan List or on the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List or is engaged in business operations in Cuba⁷² or Syria from bidding on, submitting a proposal for, or entering into or renewing a contract with an agency or local governmental entity for goods or services of \$1 million or more. “Local governmental entity,” for the purposes of s. 287.135, F.S., means a county, municipality, special district, or other political subdivision of the state.

Section 287.135(3)(a)4., F.S., requires any contract with an agency or local governmental entity for goods or services of \$1 million or more entered into or renewed on or after July 1, 2018, must contain a provision that allows for the termination of such contract at the option of the awarding body if the company is found to have submitted a false certification or has been placed on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List or have engaged in business operations in Cuba or Syria.

Section 287.135(4)(a)1., F.S., allows an agency or local governmental entity to make a case-by-case exception to the prohibition for a company on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List if:

⁶⁷ See ss. 287.042(2)(c) and 120.57(3), F.S.

⁶⁸ Sections 287.032 and 287.042, F.S.

⁶⁹ Sections 287.032(2) and 287.042(3), (4), and (12), F.S.

⁷⁰ Section 287.057(22), F.S.

⁷¹ Sections 287.042(2) and 287.056, F.S.

⁷² See *Odebrecht Const., Inc. v. Secretary, Fla. Dep't of Transp.*, 715 F.3d 1268 (11th Cir. 2013). The Eleventh Circuit Court of Appeals affirmed an injunction against enforcement of the “Cuba Amendment,” a 2012 Florida law (s. 287.135, F.S.) that banned companies with subsidiaries doing business with Cuba, from bidding on state or local contracts in Florida. The Court found that the Cuba Amendment was preempted by extensive federal statutory and administrative sanctions and would undermine the President’s discretionary authority concerning federal policy with Cuba.

- The scrutinized business operations⁷³ were made before July 1, 2011;
- The scrutinized business operations have not been expanded or renewed after July 1, 2011;
- The agency or local governmental entity determines that it is in the best interest of the state or local community to contract with the company;
- The company has adopted, has publicized, and is implementing a formal plan to cease scrutinized business operations and to refrain from engaging in any new scrutinized business operations; and
- One of the following occurs:
 - The local governmental entity makes a public finding that, absent such an exemption, the local governmental entity would be unable to obtain the goods or services for which the contract is offered.
 - For a contract with an executive agency, the Governor makes a public finding that, absent such an exemption, the agency would be unable to obtain the goods or services for which the contract is offered.
 - For a contract with an office of a state constitutional officer other than the Governor, the state constitutional officer makes a public finding that, absent such an exemption, the office would be unable to obtain the goods or services for which the contract is offered.

An agency or local governmental entity must require a company that submits a bid or proposal for, or that otherwise proposes to enter into or renew, a contract with the agency or local governmental entity for goods or services of \$1 million or more to certify, at the time a bid or proposal is submitted or before a contract is executed or renewed, that the company is not on the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List.^{74,75}

If an agency or local governmental entity determines that a company has submitted a false certification, it shall provide the company with written notice, and the company will have 90 days to respond in writing to such determination.⁷⁶ If the company fails to demonstrate that the determination of false certification was made in error, then the awarding body must bring a civil action against the company.⁷⁷ If a civil action is brought and the court determines that the company submitted a false certification, the company must pay all reasonable attorney's fees and costs (including costs for investigations that led to the finding of false certification).⁷⁸ Also, a civil penalty equal to the greater of \$2 million or twice the amount of the contract for which the false certification was submitted must be imposed.⁷⁹ The company is ineligible to bid on any contract with an agency or local governmental entity for 3 years after the date the agency or local governmental entity determined that the company submitted a false certification.⁸⁰ A civil action

⁷³ Section 215.473(1)(t), F.S., defines "scrutinized business operations" to mean business operations that result in a company becoming a scrutinized company.

⁷⁴ Section 287.135(5), F.S.

⁷⁵ Similar requirements apply regarding certifications as to whether a company is on the Scrutinized Companies with Activities in Sudan List, whether the company has business operations in Cuban or Syria, and whether the company participates in boycotts of Israel.

⁷⁶ Section 287.135(5)(a), F.S.

⁷⁷ *Id.*

⁷⁸ *Id.*

⁷⁹ Section 287.135(5)(a)1., F.S.

⁸⁰ Section 287.135(5)(a)2., F.S.

to collect the penalties must commence within 3 years after the date the false certification is made.⁸¹

Section 287.135(6), F.S., specifies that only the awarding body may cause a civil action to be brought, and that the section does not create or authorize a private right of action or enforcement of the provided penalties. An unsuccessful bidder, or any other person other than the awarding body, may not protest the award or contract renewal on the basis of a false certification.

Section 287.135(8), F.S., provides that this provision becomes inoperative on the date that federal law ceases to authorize the state to adopt and enforce the contracting prohibitions of the type provided for in this section.

Florida Insurance Code

Section 624.449, F.S., requires that a domestic insurer⁸² annually provide to the Office of Insurance Regulation a list of all investments that the insurer has in the companies included on the Scrutinized Companies with Activities in Sudan List and Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List. The list must include the name of the issuer of the stock, bond, security, and other evidence of indebtedness.

III. Effect of Proposed Changes:

Section 1 amends s. 215.473, F.S., to expand the applicability of the PFIA to include companies doing business with the government of Iran in the energy, petrochemical, financial, construction, manufacturing, textile, mining, metals, shipping, shipbuilding, or port sectors. A company may be designated a scrutinized company if the company:

- Has, on or after January 10, 2024, at least 10 percent of its revenues or assets linked to Iran and involved in this broader array of industry sectors, and fails to adopt, publicize, and implement a formal plan to cease the scrutinized business operations within 1 year and to refrain from new business operations; or
- Has, with actual knowledge, on or after January 10, 2024, an investment of \$20 million or more in these industry sectors in Iran.

If designated a scrutinized company, the SBA must divest its current FRS holdings related to the company, and the SBA is prohibited from initiating any new holdings using FRS assets.

This section also renames the current “Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List” as the “Scrutinized Companies with Activities in Iran Terrorism Sectors List” Any company list on the current list as of November 6, 2023, is deemed to be on the new list until subsequently removed pursuant to the process provided in this section.

This section also changes the conditions that must be met, absent subsequent legislative action, to revoke the SBA’s duty and authority to assemble the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List. Specifically, this section requires *both* (rather than either)

⁸¹ Section 287.135(5)(b), F.S.

⁸² Section 624.06, F.S., defines “domestic insurer” as one formed under the laws of Florida.

the Congress and President of the United States to affirmatively and unambiguously state that the government of Iran has ceased to acquire weapons of mass destruction and support international terrorism; *and* (rather than “or”) requires the United States to revoke all sanctions imposed against the government of Iran.

This section defines the new industry sectors that are subjected to scrutiny under the PFIA.

Section 2 amends s. 287.135, F.S., to apply the current contractual restrictions and requirements on scrutinized companies to the new list of companies designated in the Scrutinized Companies with Activities in Iran Terrorism Sectors List.

Similar to current law, a company on the new Iran Terrorism Sectors List is ineligible to bid on, submit a proposal for, or enter into or renew a contract with an agency or local governmental entity for goods and services of \$1 million or more if the company is on the new Iran Terrorism Sectors List.

Similar to current law, a company must certify that it is not on any of the lists of scrutinized companies before it submits any bids or enters into or renews a contract. Any contract with an agency or local governmental entity for goods and services of \$1 million or more entered into or renewed on or after July 1, 2018, must contain a provision that allows termination of the contract if the company submits a false certification regarding its inclusion on the “scrutinized companies” lists, including the new “Iran Terrorism Sectors List” or if the company is placed on the list.

Similar to current law, an agency or local governmental entity may allow a company on the new “Iran Terrorism Sectors List” to bid on, enter into, or renew a contract in two instances. The first instance requires each of the following:

- The scrutinized business operations were made before January 10, 2024;
- The scrutinized business operations have not been expanded or renewed on or after January 10, 2024;
- The agency or local governmental entity determines that it is in the best interests of the state or local community to contract with the company; and
- The company has adopted, has publicized, and is implementing a formal plan to cease the scrutinized business operation and to refrain from engaging in any new scrutinized business operations.

The second instance requires one of the following:

- The local governmental entity makes a public finding that, absent an exemption, the entity would be unable to obtain the goods and service for which the contract is offered;
- For a contract with an executive agency, the Governor makes a similar finding; or
- For a contract with an office of another state constitutional officer, the officer makes a similar finding.

Section 3 amends s. 624.449, F.S., to require a domestic insurer to provide to the Office of Insurance Regulation on an annual basis a list of investments the insurer has in companies included on the new “Scrutinized Companies with Activities in Iran Terrorism Sectors List”

Section 4 reenacts s. 215.47, F.S., to incorporate by reference the changes made in section 1 of this bill. This allows the Board to consider factors other than pecuniary factors when making decisions regarding investments in companies on the expanded list of “Scrutinized Companies with Activities in Iran Terrorism Sectors List.”

Section 5 provides that if any provision of this act or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this act which can be given effect without the invalid portion or application.

Section 6 provides that the act takes effect upon becoming a law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds. This bill does not reduce the percentage of a state tax shared with counties or municipalities. This bill does not reduce the authority that municipalities have to raise revenue.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

The U.S. Constitution’s Supremacy Clause establishes that federal statutes, treaties, and the U.S. Constitution are “the supreme Law of the Land.”⁸³

Accordingly, federal law may preempt state action that thwarts federal law in three ways:

- By an express statement of its intent to occupy a field. Express preemption need not be total, however—it can preempt all state laws or only certain state laws.
- With “a framework of regulation so pervasive that Congress left no room for the States to supplement it or where the federal interest is so dominant that the federal system will be assumed to preclude enforcement of state laws on the same subject.”⁸⁴

⁸³ U.S. CONST., Art. VI, cl. 2.

⁸⁴ *Arizona v. U.S.*, 567 U.S. 387, 399 (2012).

- Where state law conflicts, leaving an actor to choose whether to adhere to state or federal law.⁸⁵ The state law may also be subject to conflict preemption where it “stands as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress.”⁸⁶

The federal government’s authority to act in the realm of foreign affairs is vested by the U.S. Constitution.⁸⁷ State laws that intrude into this field of foreign affairs, even where not preempted by prior federal action, improperly impact foreign affairs and are therefore invalid.⁸⁸ Courts have generally held, however, that the state’s intrusion must have more than an “incidental effect” on foreign affairs in order to be considered an encroachment onto the federal government’s powers.⁸⁹

Article I, section 8, clause 3 of the U.S. Constitution grants Congress the power to “regulate commerce with foreign nations” Conversely, this provision serves as a limitation on states’ authority to encroach onto the realm of foreign commerce where such action creates a risk of conflicts with foreign governments or impedes the federal government’s ability to speak with one voice in regulating industry affairs with foreign states.⁹⁰ The “dormant foreign commerce power”⁹¹ voids state acts upon foreign commerce because of the Constitution’s overriding concern for national uniformity in foreign commerce—even in instances when Congress has not affirmatively acted.⁹² Courts also generally subject state action to a heightened scrutiny that assumes the supremacy of federal action in the realm of foreign relations.⁹³

If the state acts as a market participant, rather than market regulator, its acts may be permitted under the Commerce Clause—states have generally been found to act as a participant where they act in their proprietary capacity to spend or invest funds in a manner that comports with the economic or ideological sentiments of their citizens. A state’s acts may not have a substantial regulatory effect outside the particular market in which it participates. However, it is unclear whether the market participant exception applies to the Foreign Commerce Clause.⁹⁴

⁸⁵ *Crosby v. Nat’l. Foreign Trade Council*, 530 U.S. at 372 (2000).

⁸⁶ *Nat’l Foreign Trade Council, Inc. v. Giannoulis*, 523 F. Supp. 2d 731 (N.D. Ill. Feb. 23, 2007), quoting *Hines v. Davidowitz*, 312 U.S. 52, 67 (1941).

⁸⁷ See, e.g., U.S. CONST., Art. I, s. 8 (power to declare war, maintain a military, and regulate foreign commerce); U.S. CONST., Art. II, s. 2 (power to enter into treaties); U.S. CONST., Art. III, s. 2 (power to hear case involving foreign states and citizens).

⁸⁸ *Zschernig v. Miller*, 389 U.S. 429 (1968); *American Ins. Ass’n v. Garamendi*, 539 U.S. 396 (2003) (finding that the President’s powers in foreign policy were so great as to outweigh any need for a direct expression of preemption.)

⁸⁹ *Hines v. Davidowitz*, 312 U.S. 52, 67 (1941).

⁹⁰ *Japan Line v. County of Los Angeles*, 441 U.S. 434, 446 (1979).

⁹¹ See generally, Stephen Mulligan, Congressional Research Service, *Constitutional Limits on States’ Power over Foreign Affairs*, 3-4 (Aug. 15, 2022), available at <https://crsreports.congress.gov/product/pdf/LSB/LSB10808> (last visited Nov. 1, 2023).

⁹² *United States v. Davila-Mendoza*, 972 F.3d 1264 (11th Cir. 2020).

⁹³ “The premise [...] is that the Commerce Clause analysis is identical, regardless of whether interstate or foreign commerce is involved. This premise [...] must be rejected. When construing Congress’ power to ‘regulate Commerce with foreign Nations,’ a more extensive constitutional inquiry is required.” *Japan Line* at 446.

⁹⁴ *National Foreign Trade Council v. Giannoulis*, 523 F.Supp.2d 731, 748 (N.D. Ill. Feb. 23, 2007).

A reviewing court may find that the divestment and contracting provisions implicate the aforementioned constitutional provisions.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The intended impact of this legislation is to reduce the state's investment of FRS assets in companies that are included on the new "Scrutinized Companies with Activities in Iran Terrorism Sectors List." In addition, if a company is on the list, that company will be negatively impacted by the restrictions on contracting with agencies and local governmental entities.

C. Government Sector Impact:

The SBA may be required to divest of certain holdings in companies on the new "Scrutinized Companies with Activities in Iran Terrorism Sectors List." If this divestment activity results in lost investment income or additional administrative costs associated with the divestment and replacement of the divested funds, these costs will be absorbed by the FRS.

Agencies and local governmental entities may have to procure goods and services more quickly than anticipated if a company currently under contract with the agency or local governmental entity is designated a "scrutinized company" on the new "Scrutinized Companies with Activities in Iran Terrorism Sectors List." If a new procurement is necessary, the affected agency or entity will incur additional costs, but the overall impact is indeterminate. However, the company and the affected agency may take steps to allow the otherwise scrutinized company to bid or contract with the affected agency.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The bill amends s. 215.473, F.S., and makes conforming reenactments or amendments in ss. 215.47, 287.135, and 624.449, F.S., to make the broader definition of "scrutinized company" in Iran to apply in these provisions. However, the bill intentionally does not reenact, amend, or in any way affect ss. 175.071 or 185.06, F.S., relating to local firefighter pensions and local police pensions. A cross-reference to a specific statute incorporates the language of the referenced statute as it existed at the time the reference was enacted, unaffected by any subsequent amendments to or repeal of the incorporated statute.⁹⁵ Therefore, ss. 175.071 and 185.06, F.S.,

⁹⁵ See, *Overstreet v. Blum*, 227 So.2d 197 (Fla. 1969); and *Jam v. International Finance Corporation*, 139 S.Ct 759, 769 (Feb. 2019).

will continue to operate with the narrower definition of “scrutinized company” according to s. 215.473, F.S., as those sections were last adopted in 2010.⁹⁶

VIII. Statutes Affected:

This bill substantially amends sections 215.473, 287.135, 624.449, and 215.47 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill’s introducer or the Florida Senate.

⁹⁶ Sections 18-19, ch. 2010-5, Laws of Fla.

By Senator Avila

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1 A bill to be entitled
 2 An act relating to scrutinized companies; amending s.
 3 215.473, F.S.; defining terms; revising the definition
 4 of the term "scrutinized company"; requiring the State
 5 Board of Administration to identify and maintain the
 6 Scrutinized Companies with Activities in Iran
 7 Terrorism Sectors List; requiring the board to update
 8 and quarterly make such list publicly available;
 9 requiring the State Board of Administration to adhere
 10 to specified procedures to assemble companies on such
 11 list; providing that companies on the Scrutinized
 12 Companies with Activities in the Iran Petroleum Energy
 13 Sector List as of a specified date are deemed,
 14 beginning on a certain date, to be on the Scrutinized
 15 Companies with Activities in Iran Terrorism Sectors
 16 List until removed pursuant to specified procedures;
 17 requiring the board to file a certain report with each
 18 member of its Board of Trustees and the Legislature
 19 within a specified timeframe after the list is created
 20 or updated; requiring the board to no longer
 21 scrutinize companies subject to the Scrutinized
 22 Companies with Activities in Iran Terrorism Sectors
 23 List, to no longer assemble the list, and to cease
 24 engagement, investment prohibitions, and divestment
 25 actions if two specified actions occur; conforming
 26 provisions to changes made by the act; amending s.
 27 287.135, F.S.; providing that certain entities are
 28 ineligible to, and may not, bid on, submit a proposal
 29 for, or enter into or renew certain contracts;

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30 requiring that certain contracts entered into or
 31 renewed on or after a specified date with an agency or
 32 a local governmental entity contain a provision
 33 allowing for the termination of such contract under
 34 specified circumstances; revising the exception
 35 allowing an agency or a local governmental entity to
 36 contract with a company on specified lists or engaged
 37 in business operations with certain countries;
 38 providing the circumstances under which an agency or a
 39 local governmental entity may contract with a company
 40 on the Scrutinized Companies with Activities in the
 41 Iran Petroleum Energy Sector List or the Scrutinized
 42 Companies with Activities in Iran Terrorism Sectors
 43 List; requiring a company to certify that it is not on
 44 certain lists at the time the company submits a bid or
 45 proposal for a contract or before the company enters
 46 into or renews a contract with an agency or a local
 47 governmental entity; conforming provisions to changes
 48 made by the act; amending s. 624.449, F.S.; requiring
 49 domestic insurers to annually provide to the Office of
 50 Insurance Regulation a list of companies in which they
 51 have investments which are on the Scrutinized
 52 Companies with Activities in Iran Terrorism Sectors
 53 List; reenacting s. 215.47(10)(b), F.S., relating to
 54 certain investment decisions made by the State Board
 55 of Administration, to incorporate the amendments made
 56 to s. 215.473, F.S., in a reference thereto; providing
 57 severability; providing an effective date.
 58

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59 Be It Enacted by the Legislature of the State of Florida:

60

61 Section 1. Section 215.473, Florida Statutes, is amended to
62 read:

63 215.473 Divestiture by the State Board of Administration;
64 Sudan; Iran.—

65 (1) DEFINITIONS.—As used in this section, the term:

66 (a) "Active business operations" means all business
67 operations that are not inactive business operations.

68 (b) "Board" means the State Board of Administration.

69 (c) "Business operations" means engaging in commerce in any
70 form in Sudan or Iran, including, but not limited to, acquiring,
71 developing, maintaining, owning, selling, possessing, leasing,
72 or operating equipment, facilities, personnel, products,
73 services, personal property, real property, or any other
74 apparatus of business or commerce.

75 (d) "Company" means a sole proprietorship, organization,
76 association, corporation, partnership, joint venture, limited
77 partnership, limited liability partnership, limited liability
78 company, or other entity or business association, including all
79 wholly owned subsidiaries, majority-owned subsidiaries, parent
80 companies, or affiliates of such entities or business
81 associations, that exists for the purpose of making profit.

82 (e) "Complicit" means taking actions during any preceding
83 20-month period which have directly supported or promoted the
84 genocidal campaign in Darfur, including preventing Darfur's
85 victimized population from communicating with each other;
86 encouraging Sudanese citizens to speak out against an
87 internationally approved security force for Darfur; actively

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88 working to deny, cover up, or alter the record on human rights
89 abuses in Darfur; or other similar actions.

90 (f) "Construction sector" means the production,
91 procurement, devising, framing, or arranging in Iran of parts or
92 materials to fabricate, shape, or form buildings or structures,
93 including the onsite development, assembly, or construction of
94 residential, commercial, or institutional buildings in Iran.

95 (g) "Direct holdings" in a company means all securities of
96 that company that are held directly by the public fund or in an
97 account or fund in which the public fund owns all shares or
98 interests.

99 (h) "Energy sector" means those activities involving the
100 exploration, extraction, production, refinement, or liquefaction
101 of petroleum, natural gas, or petroleum products in Iran.

102 (i) "Financial sector" means any entity, including foreign
103 branches wherever located, organized under the laws of Iran or
104 any jurisdiction within Iran, or owned or controlled by the
105 government of Iran, or located in Iran, or owned or controlled
106 by any such entities, which is engaged in the business, as
107 principal or agent, of accepting deposits; making, granting,
108 transferring, holding, or brokering loans or credits; or
109 purchasing or selling foreign exchange, securities, or commodity
110 futures or options, or procuring purchasers and sellers thereof.
111 Entities that operate in the financial sector of the Iranian
112 economy include, but are not limited to, depository
113 institutions, banks, savings banks, money service businesses,
114 trust companies, insurance companies, securities brokers and
115 dealers, commodity futures and options brokers and dealers,
116 forward contract and foreign exchange merchants, securities and

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117 commodities exchanges, clearing corporations, investment
 118 companies, employee benefit plans, dealers in precious metals,
 119 stones, or jewels, and holding companies, affiliates, or
 120 subsidiaries of any such entities.

121 ~~(j)(g)~~ "Government of Iran" means the government of Iran,
 122 its instrumentalities, and companies owned or controlled by the
 123 government of Iran.

124 ~~(k)(h)~~ "Government of South Sudan" means the Republic of
 125 South Sudan, that has its capital in Juba, South Sudan.

126 ~~(l)(i)~~ "Government of Sudan" means the Republic of the
 127 Sudan that has its capital in Khartoum, Sudan.

128 ~~(m)(j)~~ "Inactive business operations" means the mere
 129 continued holding or renewal of rights to property previously
 130 operated for the purpose of generating revenues but not
 131 presently deployed for such purpose.

132 ~~(n)(k)~~ "Indirect holdings" in a company means all
 133 securities of that company that are held in a commingled fund or
 134 other collective investment, such as a mutual fund, in which the
 135 public fund owns shares or interests together with other
 136 investors not subject to this section.

137 ~~(o)(l)~~ "Iran" means the Islamic Republic of Iran.

138 ~~(p)~~ "Manufacturing sector" means the creation of goods in
 139 Iran by manual labor or machinery which are for export from Iran
 140 or for sale within Iran.

141 ~~(q)(m)~~ "Marginalized populations of Sudan" include, but are
 142 not limited to, the portion of the population in the Darfur
 143 region that has been genocidally victimized; the portion of the
 144 population of South Sudan victimized by Sudan's north-south
 145 civil war; the Beja, Rashidiya, and other similarly underserved

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146 groups of eastern Sudan; the Nubian and other similarly
 147 underserved groups in Sudan's Abyei, Southern Blue Nile, and
 148 Nuba Mountain regions; and the Amri, Hamadab, Manasir, and other
 149 similarly underserved groups of northern Sudan.

150 ~~(r)~~ "Metals sector" means the sale, supply, or transfer,
 151 directly or indirectly, to or from Iran of raw or semifinished
 152 metals, including, but not limited to, the following types of
 153 such materials and all alloys or compounds containing such
 154 materials: aluminum, americium, antimony, barium, beryllium,
 155 bismuth, boron, cadmium, calcium, cerium, cesium, chromium,
 156 cobalt, copper, dysprosium, erbium, europium, gadolinium,
 157 gallium, germanium, gold, hafnium, hastelloy, inconel, indium,
 158 iridium, iron, lanthanum, lead, lithium, lutetium, magnesium,
 159 manganese, mercury, molybdenum, monel, neodymium, neptunium,
 160 nickel, niobium, osmium, palladium, platinum, plutonium,
 161 polonium, potassium, praseodymium, promethium, radium, rhenium,
 162 rhodium, ruthenium, samarium, scandium, silicon, silver, sodium,
 163 steels, strontium, tantalum, technetium, tellurium, terbium,
 164 thallium, thorium, tin, titanium, tungsten, uranium, vanadium,
 165 ytterbium, yttrium, zinc, and zirconium.

166 ~~(s)(n)~~ "Military equipment" means weapons, arms, military
 167 supplies, and equipment that may readily be used for military
 168 purposes, including, but not limited to, radar systems,
 169 military-grade transport vehicles, or supplies or services sold
 170 or provided directly or indirectly to any force actively
 171 participating in armed conflict in Sudan.

172 ~~(t)(o)~~ "Mineral-extraction activities" include the
 173 exploring, extracting, processing, transporting, or wholesale
 174 selling or trading of elemental minerals or associated metal

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175 alloys or oxides (ore), including gold, copper, chromium,
 176 chromite, diamonds, iron, iron ore, silver, tungsten, uranium,
 177 and zinc, as well as facilitating such activities, including
 178 providing supplies or services in support of such activities.

179 (u) "Mining sector" means any act, process, or industry of
 180 extracting, at the surface or underground, ores, coal, precious
 181 stones, or any other minerals or geological materials from the
 182 earth in Iran.

183 (v)-(p) "Oil-related activities" include, but are not
 184 limited to, owning rights to oil blocks; exporting, extracting,
 185 producing, refining, processing, exploring for, transporting,
 186 selling, or trading of oil; constructing, maintaining, or
 187 operating a pipeline, refinery, or other oil-field
 188 infrastructure; and facilitating such activities, including
 189 providing supplies or services in support of such activities,
 190 except that the mere retail sale of gasoline and related
 191 consumer products is not considered an oil-related activity.

192 (w) "Petrochemical sector" means those activities involving
 193 any aromatic, olefin, or synthesis gas, or any of their
 194 derivatives, including ethylene, propylene, butadiene, benzene,
 195 toluene, xylene, ammonia, methanol, and urea.

196 (x)-(q) "Petroleum resources" means petroleum, petroleum
 197 byproducts, or natural gas.

198 (y) "Port sector" means those activities involving the
 199 loading and unloading of cargo and passengers or the
 200 transporting of goods and raw materials.

201 (z)-(r) "Power-production activities" means a business
 202 operation that involves a project commissioned by the National
 203 Electricity Corporation (NEC) of Sudan or other similar entity

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204 of the government of Sudan whose purpose is to facilitate power
 205 generation and delivery, including, but not limited to,
 206 establishing power-generating plants or hydroelectric dams,
 207 selling or installing components for the project, providing
 208 service contracts related to the installation or maintenance of
 209 the project, as well as facilitating such activities, including
 210 providing supplies or services in support of such activities.

211 (aa)-(t) "Public fund" means all assets of the Florida
 212 Retirement System held by the State Board of Administration in
 213 its capacity as a fiduciary pursuant to chapter 121.

214 (bb)-(t) "Scrutinized active business operations" means
 215 active business operations that result in a company becoming a
 216 scrutinized company.

217 (cc)-(t) "Scrutinized business operations" means business
 218 operations that result in a company becoming a scrutinized
 219 company.

220 (dd)-(v) "Scrutinized company" means a company that meets
 221 any of the following criteria:

222 1. The company has business operations that involve
 223 contracts with or provision of supplies or services to the
 224 government of Sudan, companies in which the government of Sudan
 225 has a direct or indirect equity share, consortiums or projects
 226 commissioned by the government of Sudan, or companies involved
 227 in consortiums or projects commissioned by the government of
 228 Sudan, and:

229 a. More than 10 percent of the company's revenues or assets
 230 linked to Sudan involve oil-related activities or mineral-
 231 extraction activities; less than 75 percent of the company's
 232 revenues or assets linked to Sudan involve contracts with or

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233 provision of oil-related or mineral-extracting products or
 234 services to the government of South Sudan; and the company has
 235 failed to take substantial action; or

236 b. More than 10 percent of the company's revenues or assets
 237 linked to Sudan involve power-production activities; less than
 238 75 percent of the company's power-production activities include
 239 projects whose intent is to provide power or electricity to the
 240 marginalized populations of Sudan; and the company has failed to
 241 take substantial action.

242 2. The company is complicit in the Darfur genocide.

243 3. The company supplies military equipment within Sudan,
 244 unless it clearly shows that the military equipment cannot be
 245 used to facilitate offensive military actions in Sudan or the
 246 company implements rigorous and verifiable safeguards to prevent
 247 use of that equipment by forces actively participating in armed
 248 conflict. Examples of safeguards include post-sale tracking of
 249 such equipment by the company, certification from a reputable
 250 and objective third party that such equipment is not being used
 251 by a party participating in armed conflict in Sudan, or sale of
 252 such equipment solely to the government of South Sudan or any
 253 internationally recognized peacekeeping force or humanitarian
 254 organization.

255 4. The company has business operations that involve
 256 contracts with or provision of supplies or services to the
 257 government of Iran, companies in which the government of Iran
 258 has any direct or indirect equity share, consortiums, or
 259 projects commissioned by the government of Iran, or companies
 260 involved in consortiums or projects commissioned by the
 261 government of Iran and:

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262 a. More than 10 percent of the company's total revenues or
 263 assets are linked to Iran and involve oil-related activities or
 264 mineral-extraction activities, and the company has failed to
 265 take substantial action; ~~or~~

266 b. On or after January 10, 2024, more than 10 percent of
 267 the company's total revenues or assets are linked to Iran and
 268 involve the energy, petrochemical, financial, construction,
 269 manufacturing, textile, mining, metals, shipping, shipbuilding,
 270 or port sectors of Iran, and the company has failed to take
 271 substantial action;

272 c. The company has, with actual knowledge, on or after
 273 August 5, 1996, made an investment of \$20 million or more, or
 274 any combination of investments of at least \$10 million each,
 275 which in the aggregate equals or exceeds \$20 million in any 12-
 276 month period, and which directly or significantly contributes to
 277 the enhancement of Iran's ability to develop the petroleum
 278 resources of Iran; or

279 d. The company has, with actual knowledge, on or after
 280 January 10, 2024, an investment of \$20 million or more, or any
 281 combination of investments of at least \$10 million each, which
 282 in the aggregate equals or exceeds \$20 million in any 12-month
 283 period and involves oil-related activities in Iran, mineral-
 284 extraction activities in Iran, or the energy, petrochemical,
 285 financial, construction, manufacturing, textile, mining, metals,
 286 shipping, shipbuilding, or port sectors of Iran.

287 (ee) "Shipbuilding sector" means those activities involving
 288 the construction of seagoing vessels, including oil tankers and
 289 cargo vessels, in Iran.

290 (ff) "Shipping sector" means those activities involving the

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291 transportation of goods by seagoing vessels, including oil
 292 tankers and cargo vessels, flying the flag of Iran or owned,
 293 controlled, chartered, or operated directly or indirectly by the
 294 government of Iran.

295 ~~(gg)(w)~~ "Social-development company" means a company whose
 296 primary purpose in Sudan is to provide humanitarian goods or
 297 services, including medicine or medical equipment; agricultural
 298 supplies or infrastructure; educational opportunities;
 299 journalism-related activities; information or information
 300 materials; spiritual-related activities; services of a purely
 301 clerical or reporting nature; food, clothing, or general
 302 consumer goods that are unrelated to oil-related activities;
 303 mineral-extraction activities; or power-production activities.

304 ~~(hh)(*)~~ "Substantial action specific to Iran" means
 305 adopting, publicizing, and implementing a formal plan to cease
 306 scrutinized business operations within 1 year and to refrain
 307 from such new business operations.

308 ~~(ii)(y)~~ "Substantial action specific to Sudan" means
 309 adopting, publicizing, and implementing a formal plan to cease
 310 scrutinized business operations within 1 year and to refrain
 311 from such new business operations; undertaking humanitarian
 312 efforts in conjunction with an international organization, the
 313 government of Sudan, the government of South Sudan, or a
 314 nonprofit entity evaluated and certified by an independent third
 315 party to be substantially in a relationship to the company's
 316 Sudan business operations and of benefit to one or more
 317 marginalized populations of Sudan; or, through engagement with
 318 the government of Sudan, materially improving conditions for the
 319 genocidally victimized population in Darfur.

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320 (jj) "Textile sector" means the fiber synthesis, dyeing,
 321 weaving, knitting, or felting in Iran of textiles, including
 322 apparel, carpets, cloths, fabric, or related goods, which are
 323 for export from Iran.

324 (2) IDENTIFICATION OF COMPANIES.—

325 (a) The board shall make its best efforts to identify all
 326 scrutinized companies in which the public fund has direct or
 327 indirect holdings or could possibly have such holdings in the
 328 future. Such efforts include:

329 1. Reviewing and relying, as appropriate in the board's
 330 judgment, on publicly available information regarding companies
 331 having business operations in Sudan, including information
 332 provided by nonprofit organizations, research firms,
 333 international organizations, and government entities;

334 2. Contacting asset managers contracted by the board which
 335 invest in companies having business operations in Sudan;

336 3. Contacting other institutional investors that have
 337 divested from or engaged with companies that have business
 338 operations in Sudan; or

339 4. Reviewing the laws of the United States regarding the
 340 levels of business activity that would cause application of
 341 sanctions for companies conducting business or investing in
 342 countries that are designated state sponsors of terror.

343 (b) The board shall maintain a list of all scrutinized
 344 companies that fit criteria specified in subparagraphs
 345 (1) (dd) 1., 2., and 3. ~~(1)(v) 1., 2., and 3.~~ labeled the
 346 "Scrutinized Companies with Activities in Sudan List" and a list
 347 of all scrutinized companies that fit criteria specified in
 348 subparagraph (1) (dd) 4. ~~(1)(v) 4.~~ labeled the "Scrutinized

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349 Companies with Activities in ~~the~~ Iran Terrorism Sectors
 350 Petroleum Energy Sector List.”

351 (c) The board shall update and make publicly available
 352 quarterly the Scrutinized Companies with Activities in Sudan
 353 List and the Scrutinized Companies with Activities in ~~the~~ Iran
 354 Terrorism Sectors Petroleum Energy Sector List based on evolving
 355 information from, among other sources, those listed in paragraph
 356 (a).

357 (d) Notwithstanding this section, a social-development
 358 company that is not complicit in the Darfur genocide is not
 359 considered a scrutinized company under subparagraph (1) (dd)1.
 360 ~~(1) (v)1.~~, subparagraph (1) (dd)2. ~~(1) (v)2.~~, or subparagraph
 361 (1) (dd)3. ~~(1) (v)3.~~

362 (3) REQUIRED ACTIONS.—The board shall adhere to the
 363 following procedure for assembling companies on the Scrutinized
 364 Companies with Activities in Sudan List and the Scrutinized
 365 Companies with Activities in ~~the~~ Iran Terrorism Sectors
 366 Petroleum Energy Sector List:

367 (a) *Engagement.*—

368 1. The board shall immediately determine the companies on
 369 the Scrutinized Companies with Activities in Sudan List and the
 370 Scrutinized Companies with Activities in ~~the~~ Iran Terrorism
 371 Sectors Petroleum Energy Sector List in which the public fund
 372 owns direct or indirect holdings. Any company on the Scrutinized
 373 Companies with Activities in the Iran Petroleum Energy Sector
 374 List as of November 6, 2023, is deemed to be on the Scrutinized
 375 Companies with Activities in Iran Terrorism Sectors List,
 376 effective November 10, 2023, until the company is subsequently
 377 removed pursuant to this section.

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378 2. For each company identified in this paragraph that has
 379 only inactive business operations, the board shall send a
 380 written notice informing the company of this act and encouraging
 381 it to continue to refrain from initiating active business
 382 operations in Sudan or Iran until it is able to avoid
 383 scrutinized business operations. The board shall continue such
 384 correspondence semiannually.

385 3. For each company newly identified under this paragraph
 386 which has active business operations, the board shall send a
 387 written notice informing the company of its scrutinized company
 388 status and that it may become subject to divestment by the
 389 public fund. The notice must inform the company of the
 390 opportunity to clarify its Sudan-related or Iran-related
 391 activities and encourage the company to cease its scrutinized
 392 business operations or convert such operations to inactive
 393 business operations within 90 days in order to avoid qualifying
 394 for divestment by the public fund.

395 4. If, within 90 days after the board's first engagement
 396 with a company pursuant to this paragraph, that company ceases
 397 scrutinized business operations, the company shall be removed
 398 from the Scrutinized Companies with Activities in Sudan List and
 399 the Scrutinized Companies with Activities in ~~the~~ Iran Terrorism
 400 Sectors Petroleum Energy Sector List, and the provisions of this
 401 act shall cease to apply to that company unless that company
 402 resumes scrutinized business operations. If, within 90 days
 403 after the board's first engagement, the company converts its
 404 scrutinized active business operations to inactive business
 405 operations, the company is subject to all provisions relating to
 406 inactive business operations. A company may be removed from one

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407 list but remain on the other list, in which case the company
 408 shall be subject to the provisions applicable to the list on
 409 which the company remains.

410 (b) *Divestment.*—

411 1. If, after 90 days following the board's first engagement
 412 with a company pursuant to paragraph (a), the company continues
 413 to have scrutinized active business operations, and only while
 414 such company continues to have scrutinized active business
 415 operations, the board shall sell, redeem, divest, or withdraw
 416 all publicly traded securities of the company, except as
 417 provided in paragraph (d), from the public fund within 12 months
 418 after the company's most recent appearance on the Scrutinized
 419 Companies with Activities in Sudan List or on the Scrutinized
 420 Companies with Activities in ~~the~~ Iran Terrorism Sectors
 421 Petroleum Energy Sector List.

422 2. If a company that ceased scrutinized active business
 423 operations following engagement pursuant to paragraph (a)
 424 resumes such operations, this paragraph immediately applies, and
 425 the board shall send a written notice to the company. The
 426 company shall also be immediately reintroduced onto the
 427 Scrutinized Companies with Activities in Sudan List or on the
 428 Scrutinized Companies with Activities in ~~the~~ Iran Terrorism
 429 Sectors Petroleum Energy Sector List, as applicable.

430 (c) *Prohibition.*—The board may not acquire, on behalf of
 431 the public fund, securities of companies on the Scrutinized
 432 Companies with Activities in Sudan List or the Scrutinized
 433 Companies with Activities in ~~the~~ Iran Terrorism Sectors
 434 Petroleum Energy Sector List that have active business
 435 operations, except as provided in paragraph (d).

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436 (d) *Exemption.*—A company that the United States Government
 437 affirmatively declares to be excluded from its present or any
 438 future federal sanctions regime relating to Sudan or Iran is not
 439 subject to divestment or the investment prohibition pursuant to
 440 paragraphs (b) and (c).

441 (e) *Excluded securities.*—

442 1. Notwithstanding this section, paragraphs (b) and (c) do
 443 not apply to indirect holdings in actively managed investment
 444 funds. However, the board shall submit letters to the managers
 445 of such investment funds containing companies that have
 446 scrutinized active business operations requesting that they
 447 consider removing such companies from the fund or create a
 448 similar actively managed fund having indirect holdings devoid of
 449 such companies. If the manager creates a similar fund, the
 450 board, on behalf of the public fund, shall replace all
 451 applicable investments with investments in the similar fund in
 452 an expedited timeframe consistent with prudent investing
 453 standards. For the purposes of this section, a private equity
 454 fund is deemed to be an actively managed investment fund.

455 2. Notwithstanding this section, paragraphs (b) and (c) do
 456 not apply to exchange-traded funds.

457 (f) *Further exclusions.*—Notwithstanding any other provision
 458 of this act, the board, when discharging its responsibility for
 459 operation of a defined contribution plan, shall engage the
 460 manager of the investment offerings in such plans requesting
 461 that they consider removing scrutinized companies from the
 462 investment offerings or create an alternative investment
 463 offering devoid of scrutinized companies. If the manager creates
 464 an alternative investment offering and the offering is deemed by

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465 the board to be consistent with prudent investor standards, the
466 board shall consider including such investment offering in the
467 plan.

468 (4) REPORTING.—

469 (a) The board shall file a report with each member of its
470 Board of Trustees, the President of the Senate, and the Speaker
471 of the House of Representatives which includes the Scrutinized
472 Companies with Activities in Sudan List and the Scrutinized
473 Companies with Activities in ~~the~~ Iran Terrorism Sectors
474 ~~Petroleum Energy Sector~~ List within 30 days after the list is
475 created or updated. This report must ~~shall~~ be made available to
476 the public.

477 (b) At each quarterly meeting of the Board of Trustees
478 thereafter, the board shall file a report regarding the public
479 fund, which must ~~shall~~ be made available to the public and to
480 each member of its Board of Trustees, the President of the
481 Senate, and the Speaker of the House of Representatives, and
482 shall send a copy of that report to the United States
483 Presidential Special Envoy to Sudan and the United States
484 Presidential Special Envoy to Iran, or an appropriate designee
485 or successor, which includes:

486 1. A summary of correspondence with companies engaged by
487 the board on behalf of the public fund under subparagraphs

488 (3) (a) 2. and 3.;

489 2. All investments sold, redeemed, divested, or withdrawn
490 in compliance with paragraph (3) (b);

491 3. All prohibited investments under paragraph (3) (c);

492 4. Any progress made under paragraph (3) (e); and

493 5. A list of all publicly traded securities held directly

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494 by the public fund.

495 (5) EXPIRATION.—This section expires upon the occurrence of
496 all of the following:

497 (a) If any of the following occurs, the board may no longer
498 scrutinize companies according to subparagraphs (1) (dd) 1., 2.,
499 and 3. ~~(1) (v) 1., 2., and 3.~~ and may no longer assemble the
500 Scrutinized Companies with Activities in Sudan List, shall cease
501 engagement and divestment of such companies, and may reinvest in
502 such companies if such companies do not satisfy the criteria for
503 inclusion in the Scrutinized Companies with Activities in ~~the~~
504 Iran Terrorism Sectors ~~Petroleum Energy Sector~~ List:

505 1. The Congress or President of the United States
506 affirmatively and unambiguously states, by means including, but
507 not limited to, legislation, executive order, or written
508 certification from the President to Congress, that the Darfur
509 genocide has been halted for at least 12 months;

510 2. The United States revokes all sanctions imposed against
511 the government of Sudan;

512 3. The Congress or President of the United States
513 affirmatively and unambiguously states, by means including, but
514 not limited to, legislation, executive order, or written
515 certification from the President to Congress, that the
516 government of Sudan has honored its commitments to cease attacks
517 on civilians, demobilize and demilitarize the Janjaweed and
518 associated militias, grant free and unfettered access for
519 deliveries of humanitarian assistance, and allow for the safe
520 and voluntary return of refugees and internally displaced
521 persons; or

522 4. The Congress or President of the United States

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523 affirmatively and unambiguously states, by means including, but
 524 not limited to, legislation, executive order, or written
 525 certification from the President to Congress, that mandatory
 526 divestment of the type provided for in this section interferes
 527 with the conduct of United States foreign policy.

528 (b) If both ~~either~~ of the following occur ~~occurs~~, the board
 529 may no longer scrutinize companies according to subparagraph
 530 (1) (dd) 4. ~~(1) (v) 4.~~, may no longer assemble the Scrutinized
 531 Companies with Activities in ~~the~~ Iran Terrorism Sectors
 532 ~~Petroleum Energy Sector~~ List, and shall cease engagement,
 533 investment prohibitions, and divestment:

534 1. The Congress and ~~or~~ President of the United States
 535 affirmatively and unambiguously state ~~states~~, by means
 536 including, but not limited to, legislation, executive order, or
 537 written certification from the President to Congress, that the
 538 government of Iran has ceased to acquire weapons of mass
 539 destruction and support international terrorism; and ~~or~~

540 2. The United States revokes all sanctions imposed against
 541 the government of Iran.

542
 543 The board, on behalf of the public fund, may reinvest in such
 544 companies if such companies do not satisfy the criteria for
 545 inclusion in the Scrutinized Companies with Activities in Sudan
 546 List. The board, acting as a fiduciary in accordance with s.
 547 215.47(10), shall monitor events relating to subparagraphs 1.
 548 and 2., and, upon finding that the conditions in subparagraph 1.
 549 or subparagraph 2. have occurred, the board shall report such
 550 finding at a quarterly meeting of its trustees. At each
 551 quarterly meeting of the trustees, the board shall report on the

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552 status of events relating to subparagraphs 1. and 2.

553 (6) INVESTMENT POLICY STATEMENT OBLIGATIONS.—The board's
 554 actions taken in compliance with this act, including all good
 555 faith determinations regarding companies as required by this
 556 act, shall be adopted and incorporated into the public fund's
 557 investment policy statement as provided in s. 215.475.

558 (7) REINVESTMENT IN CERTAIN COMPANIES HAVING SCRUTINIZED
 559 ACTIVE BUSINESS OPERATIONS.—Notwithstanding any other provision
 560 of this act to the contrary, the public fund may cease divesting
 561 from certain scrutinized companies pursuant to paragraph (3) (b)
 562 or reinvest in certain scrutinized companies from which it
 563 divested pursuant to paragraph (3) (b) if clear and convincing
 564 evidence shows that the value of all assets of the public fund
 565 becomes equal to or less than 99.50 percent, or 50 basis points,
 566 of the hypothetical value of all assets of the public fund
 567 assuming no divestment for any company had occurred under
 568 paragraph (3) (b). Cessation of divestment, reinvestment, or any
 569 subsequent ongoing investment authorized by this act is limited
 570 to the minimum steps necessary to avoid the contingency set
 571 forth in this subsection or that no divestment of any company is
 572 required for less than fair value. For any cessation of
 573 divestment, reinvestment, or subsequent ongoing investment
 574 authorized by this act, the board shall provide a written report
 575 to each member of its Board of Trustees, the President of the
 576 Senate, and the Speaker of the House of Representatives in
 577 advance of initial reinvestment, updated semiannually thereafter
 578 as applicable, setting forth the reasons and justification,
 579 supported by clear and convincing evidence, for its decisions to
 580 cease divestment, reinvest, or remain invested in companies

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581 having scrutinized active business operations. This act does not
582 apply to reinvestment in companies on the grounds that they have
583 ceased to have scrutinized active business operations.

584 Section 2. Section 287.135, Florida Statutes, is amended to
585 read:

586 287.135 Prohibition against contracting with scrutinized
587 companies.—

588 (1) In addition to the terms defined in ss. 287.012 and
589 215.473, as used in this section, the term:

590 (a) "Awarding body" means, for purposes of state contracts,
591 an agency or the department, and for purposes of local
592 contracts, the governing body of the local governmental entity.

593 (b) "Boycott of Israel" has the same meaning as defined in
594 s. 215.4725.

595 (c) "Business operations" means, for purposes specifically
596 related to Cuba or Syria, engaging in commerce in any form in
597 Cuba or Syria, including, but not limited to, acquiring,
598 developing, maintaining, owning, selling, possessing, leasing,
599 or operating equipment, facilities, personnel, products,
600 services, personal property, real property, military equipment,
601 or any other apparatus of business or commerce.

602 (d) "Local governmental entity" means a county,
603 municipality, special district, or other political subdivision
604 of the state.

605 (2) A company is ineligible to, and may not, bid on, submit
606 a proposal for, or enter into or renew a contract with an agency
607 or local governmental entity for goods or services of:

608 (a) Any amount if, at the time of bidding on, submitting a
609 proposal for, or entering into or renewing such contract, the

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610 company is on the Scrutinized Companies that Boycott Israel
611 List, created pursuant to s. 215.4725, or is engaged in a
612 boycott of Israel; or

613 (b) One million dollars or more if, at the time of bidding
614 on, submitting a proposal for, or entering into or renewing such
615 contract, the company:

616 1. Is on the Scrutinized Companies with Activities in Sudan
617 List or the Scrutinized Companies with Activities in ~~the~~ Iran
618 Terrorism Sectors ~~Petroleum Energy Sector~~ List, created pursuant
619 to s. 215.473; or

620 2. Is engaged in business operations in Cuba or Syria.

621 (3) (a) Any contract with an agency or local governmental
622 entity for goods or services of \$1 million or more entered into
623 or renewed on or after:

624 1. July 1, 2011, through June 30, 2012, must contain a
625 provision that allows for the termination of such contract at
626 the option of the awarding body if the company is found to have
627 submitted a false certification as provided under subsection (5)
628 or been placed on the Scrutinized Companies with Activities in
629 Sudan List or the Scrutinized Companies with Activities in the
630 Iran Petroleum Energy Sector List.

631 2. July 1, 2012, through September 30, 2016, must contain a
632 provision that allows for the termination of such contract at
633 the option of the awarding body if the company is found to have
634 submitted a false certification as provided under subsection
635 (5), been placed on the Scrutinized Companies with Activities in
636 Sudan List or the Scrutinized Companies with Activities in the
637 Iran Petroleum Energy Sector List, or been engaged in business
638 operations in Cuba or Syria.

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639 3. October 1, 2016, through June 30, 2018, must contain a
640 provision that allows for the termination of such contract at
641 the option of the awarding body if the company:

642 a. Is found to have submitted a false certification as
643 provided under subsection (5);

644 b. Has been placed on the Scrutinized Companies that
645 Boycott Israel List, or is engaged in a boycott of Israel;

646 c. Has been placed on the Scrutinized Companies with
647 Activities in Sudan List or the Scrutinized Companies with
648 Activities in the Iran Petroleum Energy Sector List; or

649 d. Has been engaged in business operations in Cuba or
650 Syria.

651 4. July 1, 2018, must contain a provision that allows for
652 the termination of such contract at the option of the awarding
653 body if the company is found to have submitted a false
654 certification as provided under subsection (5), been placed on
655 the Scrutinized Companies with Activities in Sudan List ~~or the~~
656 ~~Scrutinized Companies with Activities in the Iran Petroleum~~
657 ~~Energy Sector List~~, or been engaged in business operations in
658 Cuba or Syria.

659 5. July 1, 2018, must contain a provision that allows for
660 the termination of such contract at the option of the awarding
661 body if the company is found to have submitted a false
662 certification as provided under subsection (5) or has been
663 placed on a list created pursuant to s. 215.473, relating to
664 scrutinized active business operations in Iran.

665 (b) Any contract with an agency or local governmental
666 entity for goods or services of any amount entered into or
667 renewed on or after July 1, 2018, must contain a provision that

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668 allows for the termination of such contract at the option of the
669 awarding body if the company is found to have been placed on the
670 Scrutinized Companies that Boycott Israel List or is engaged in
671 a boycott of Israel.

672 (4) Notwithstanding subsection (2) or subsection (3), an
673 agency or local governmental entity, on a case-by-case basis,
674 may allow permit a company on the Scrutinized Companies with
675 Activities in Sudan List, ~~or~~ the Scrutinized Companies with
676 Activities in the Iran Petroleum Energy Sector List, or the
677 Scrutinized Companies with Activities in Iran Terrorism Sectors
678 List, or a company engaged in business operations in Cuba or
679 Syria, to be eligible for, bid on, submit a proposal for, or
680 enter into or renew a contract for goods or services of \$1
681 million or more, or may allow permit a company on the
682 Scrutinized Companies that Boycott Israel List to be eligible
683 for, bid on, submit a proposal for, or enter into or renew a
684 contract for goods or services of any amount, under the
685 conditions set forth in paragraph (a) or the conditions set
686 forth in paragraph (b):

687 (a)1. With respect to a company on the Scrutinized
688 Companies with Activities in Sudan List ~~or the Scrutinized~~
689 ~~Companies with Activities in the Iran Petroleum Energy Sector~~
690 ~~List~~, all of the following occur:

691 a. The scrutinized business operations were made before
692 July 1, 2011.

693 b. The scrutinized business operations have not been
694 expanded or renewed after July 1, 2011.

695 c. The agency or local governmental entity determines that
696 it is in the best interest of the state or local community to

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697 contract with the company.

698 d. The company has adopted, has publicized, and is
699 implementing a formal plan to cease scrutinized business
700 operations and to refrain from engaging in any new scrutinized
701 business operations.

702 2. With respect to a company engaged in business operations
703 in Cuba or Syria, all of the following occur:

704 a. The business operations were made before July 1, 2012.

705 b. The business operations have not been expanded or
706 renewed after July 1, 2012.

707 c. The agency or local governmental entity determines that
708 it is in the best interest of the state or local community to
709 contract with the company.

710 d. The company has adopted, has publicized, and is
711 implementing a formal plan to cease business operations and to
712 refrain from engaging in any new business operations.

713 3. With respect to a company on the Scrutinized Companies
714 that Boycott Israel List, all of the following occur:

715 a. The boycott of Israel was initiated before October 1,
716 2016.

717 b. The company certifies in writing that it has ceased its
718 boycott of Israel.

719 c. The agency or local governmental entity determines that
720 it is in the best interest of the state or local community to
721 contract with the company.

722 d. The company has adopted, has publicized, and is
723 implementing a formal plan to cease scrutinized business
724 operations and to refrain from engaging in any new scrutinized
725 business operations.

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726 4. With respect to a company on the Scrutinized Companies
727 with Activities in the Iran Petroleum Energy Sector List as of
728 November 6, 2023, all of the following occur:

729 a. The scrutinized business operations were made before
730 July 1, 2011.

731 b. The scrutinized business operations have not been
732 expanded or renewed after July 1, 2011.

733 c. The agency or local governmental entity determines that
734 it is in the best interest of the state or local community to
735 contract with the company.

736 d. The company has adopted, has publicized, and is
737 implementing a formal plan to cease scrutinized business
738 operations and to refrain from engaging in any new scrutinized
739 business operations.

740 5. With respect to a company on the Scrutinized Companies
741 with Activities in Iran Terrorism Sectors List other than those
742 companies included on the Scrutinized Companies with Activities
743 in the Iran Petroleum Energy Sector List as of November 6, 2023,
744 all of the following occur:

745 a. The scrutinized business operations were made before
746 January 10, 2024.

747 b. The scrutinized business operations have not been
748 expanded or renewed on or after January 10, 2024.

749 c. The agency or local governmental entity determines that
750 it is in the best interest of the state or local community to
751 contract with the company.

752 d. The company has adopted, has publicized, and is
753 implementing a formal plan to cease those scrutinized business
754 operations and to refrain from engaging in any new scrutinized

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755 business operations.

756 (b) One of the following occurs:

757 1. The local governmental entity makes a public finding
758 that, absent such an exemption, the local governmental entity
759 would be unable to obtain the goods or services for which the
760 contract is offered.

761 2. For a contract with an executive agency, the Governor
762 makes a public finding that, absent such an exemption, the
763 agency would be unable to obtain the goods or services for which
764 the contract is offered.

765 3. For a contract with an office of a state constitutional
766 officer other than the Governor, the state constitutional
767 officer makes a public finding that, absent such an exemption,
768 the office would be unable to obtain the goods or services for
769 which the contract is offered.

770 (5) At the time a company submits a bid or proposal for a
771 contract or before the company enters into or renews a contract
772 with an agency or local governmental entity for goods or
773 services of \$1 million or more, the company must certify that
774 the company is not on the Scrutinized Companies with Activities
775 in Sudan List or the Scrutinized Companies with Activities in
776 ~~the Iran Terrorism Sectors Petroleum Energy Sector~~ List and that
777 it does not have business operations in Cuba or Syria. At the
778 time a company submits a bid or proposal for a contract or
779 before the company enters into or renews a contract with an
780 agency or local governmental entity for goods or services of any
781 amount, the company must certify that the company is not
782 participating in a boycott of Israel.

783 (a) If, after the agency or the local governmental entity

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784 determines, using credible information available to the public,
785 that the company has submitted a false certification, the agency
786 or local governmental entity shall provide the company with
787 written notice of its determination. The company shall have 90
788 days following receipt of the notice to respond in writing and
789 to demonstrate that the determination of false certification was
790 made in error. If the company does not make such demonstration
791 within 90 days after receipt of the notice, the agency or the
792 local governmental entity shall bring a civil action against the
793 company. If a civil action is brought and the court determines
794 that the company submitted a false certification, the company
795 shall pay the penalty described in subparagraph 1. and all
796 reasonable attorney fees and costs, including any costs for
797 investigations that led to the finding of false certification.

798 1. A civil penalty equal to the greater of \$2 million or
799 twice the amount of the contract for which the false
800 certification was submitted shall be imposed.

801 2. The company is ineligible to bid on any contract with an
802 agency or local governmental entity for 3 years after the date
803 the agency or local governmental entity determined that the
804 company submitted a false certification.

805 (b) A civil action to collect the penalties described in
806 paragraph (a) must commence within 3 years after the date the
807 false certification is submitted.

808 (6) Only the agency or local governmental entity that is a
809 party to the contract may cause a civil action to be brought
810 under this section. This section does not create or authorize a
811 private right of action or enforcement of the penalties provided
812 in this section. An unsuccessful bidder, or any other person

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813 other than the agency or local governmental entity, may not
814 protest the award of a contract or contract renewal on the basis
815 of a false certification.

816 (7) This section preempts any ordinance or rule of any
817 agency or local governmental entity involving public contracts
818 for goods or services of:

819 (a) One million dollars or more with a company engaged in
820 scrutinized business operations.

821 (b) Any amount with a company that has been placed on the
822 Scrutinized Companies that Boycott Israel List or is engaged in
823 a boycott of Israel.

824 (8) The contracting prohibitions in this section applicable
825 to companies on the Scrutinized Companies with Activities in
826 Sudan List or the Scrutinized Companies with Activities in ~~the~~
827 Iran Terrorism Sectors Petroleum Energy Sector List or to
828 companies engaged in business operations in Cuba or Syria become
829 inoperative on the date that federal law ceases to authorize the
830 states to adopt and enforce such contracting prohibitions.

831 Section 3. Section 624.449, Florida Statutes, is amended to
832 read:

833 624.449 Insurer investment in foreign companies.—A domestic
834 insurer shall provide to the office on an annual basis a list of
835 investments that the insurer has in companies included on the
836 “Scrutinized Companies with Activities in Sudan List” and the
837 “Scrutinized Companies with Activities in ~~the~~ Iran Terrorism
838 Sectors Petroleum Energy Sector List” compiled by the State
839 Board of Administration pursuant to s. 215.473(2). The insurer’s
840 list must include the name of the issuer and the stock, bond,
841 security, and other evidence of indebtedness.

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842 Section 4. For the purpose of incorporating the amendments
843 made by this act to section 215.473, Florida Statutes, in a
844 reference thereto, paragraph (b) of subsection (10) of section
845 215.47, Florida Statutes, is reenacted to read:

846 215.47 Investments; authorized securities; loan of
847 securities.—Subject to the limitations and conditions of the
848 State Constitution or of the trust agreement relating to a trust
849 fund, moneys available for investments under ss. 215.44-215.53
850 may be invested as follows:

851 (10)

852 (b) Notwithstanding any other law except for ss. 215.471,
853 215.4725, and 215.473, when deciding whether to invest and when
854 investing the assets of any fund, the State Board of
855 Administration must make decisions based solely on pecuniary
856 factors and may not subordinate the interests of the
857 participants and beneficiaries of the fund to other objectives,
858 including sacrificing investment return or undertaking
859 additional investment risk to promote any nonpecuniary factor.
860 The weight given to any pecuniary factor must appropriately
861 reflect a prudent assessment of its impact on risk or returns.

862 Section 5. If any provision of this act or its application
863 to any person or circumstance is held invalid, the invalidity
864 does not affect other provisions or applications of this act
865 which can be given effect without the invalid provision or
866 application, and to this end the provisions of this act are
867 severable.

868 Section 6. This act shall take effect upon becoming a law.

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The Florida Senate

APPEARANCE RECORD

Deliver both copies of this form to Senate professional staff conducting the meeting

11-6-23

Meeting Date

10C

Bill Number or Topic

Rules

Committee

Amendment Barcode (if applicable)

Name Lamar Taylor

Phone 850-413-1187

Address 1801 Hermitage Blvd.

Email lamar.taylor@sbafla.com

Street

Tallahassee

FL

32308

City

State

Zip

Speaking:

For

Against

Information

OR

Waive Speaking:

In Support

Against

PLEASE CHECK ONE OF THE FOLLOWING:

I am appearing without compensation or sponsorship.

I am a registered lobbyist, representing: State Board of Administration

I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. 2020-2022 Joint Rules.pdf (flsenate.gov)

This form is part of the public record for this meeting.

S-001 (08/10/2021)



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:

Environment and Natural Resources, *Chair*
Finance and Tax, *Vice Chair*
Appropriations Committee on Agriculture, Environment,
and General Government
Commerce and Tourism
Fiscal Policy
Governmental Oversight and Accountability
Rules

SENATOR ANA MARIA RODRIGUEZ

40th District

October 18, 2023

The Florida Senate
404 S. Monroe Street
Tallahassee, FL 32399-1100

A handwritten signature in blue ink, appearing to be "Ana Maria Rodriguez".

Dear Madam Chairman,

I would like to request an excused absence for committee meetings and other legislative business during the week of November 6th. I will remain in my district that week for personal matters.

If you have any questions or concerns, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to be "Ana Maria Rodriguez".

Sen. Ana Maria Rodriguez
The Florida Senate, District 40

REPLY TO:

- Miami-Dade College, West Campus Suite 1112, 3800 NW 115th Avenue, Doral, Florida 33178 (305) 470-2552
- 309 Senate Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5040

Senate's Website: www.flsenate.gov

KATHLEEN PASSIDOMO
President of the Senate

DENNIS BAXLEY
President Pro Tempore

CourtSmart Tag Report

Room: KB 412

Case No.: -

Type:

Caption: Senate Rules Committee

Judge:

Started: 11/6/2023 2:31:05 PM

Ends: 11/6/2023 2:50:09 PM

Length: 00:19:05

2:31:03 PM Chair Mayfield calls meeting to order
2:31:13 PM Roll Call
2:31:19 PM Quorum announced
2:31:51 PM Chair with opening comment
2:31:54 PM Senator Rodriguez is excused
2:31:58 PM Pledge of Allegiance by Senator Simon
2:32:15 PM Chair with opening comments
2:32:51 PM Tab 1 SR 8-C Support for the State of Israel
2:32:55 PM Senator Berman explains the resolution
2:35:00 PM Questions
2:35:04 PM Appearance Form
2:35:09 PM Marty Cassini, Broward County, waives
2:35:25 PM Debate
2:35:31 PM Senator Book
2:36:01 PM Chair Mayfield
2:36:25 PM Senator Berman closes on resolution
2:36:45 PM Roll call on SR 8-C
2:36:51 PM SR 8-C is reported favorably
2:37:24 PM Tab 2 SB 10-C Scrutinized Companies
2:37:33 PM Senator Avila explains the bill
2:40:22 PM Questions
2:40:27 PM Senator Jones
2:40:33 PM Senator Avila
2:40:41 PM Senator Jones
2:41:35 PM Senator Avila
2:42:01 PM Senator Jones
2:42:37 PM Senator Avila
2:42:55 PM Senator Jones
2:43:00 PM Senator Avila
2:43:22 PM Senator Burton
2:44:00 PM Senator Avila
2:45:14 PM Senator Torres
2:45:18 PM Senator Avila
2:46:54 PM Appearance Form
2:47:05 PM Lamar Taylor, State Board of Administration, waives
2:47:15 PM Debate
2:47:24 PM Senator Avila closes on the bill
2:47:43 PM Roll call on SB 10-C
2:48:44 PM SB 10-C is reported favorably
2:49:26 PM Votes After
2:49:32 PM Senator Hutson with a motion
2:49:47 PM Motion adopted
2:49:56 PM Senator Book moves to adjourn
2:49:58 PM Meeting adjourned