

Committee on Governmental Oversight And Accountability

CS/SB 444 — Scrutinized Companies

by Community Affairs Committee and Senators Bogdanoff and Benacquisto

This bill 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 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. The bill provides an exception to the prohibition under specified circumstances.

The bill requires a company to certify that it is not on either list before it submits a bid or proposal for or enters into or renews such a contract. Any such contract entered into or renewed on or after July 1, 2011, must contain a provision that allows for termination of the contract if the company is found to have submitted a false certification.

The bill provides a process through which an agency or local government that makes a determination of false certification must provide notice to the company, and through which the company may respond to and challenge the determination. The bill also requires the agency or local government to bring a civil action if the company does not disprove the determination of false certification within a specified time, and specifies penalties for a company that a court determines has made a false certification. Only the agency or local governmental entity that is a party to the contract is authorized to bring such a civil action.

The bill also:

- Specifies that the section of law created by the bill preempts any ordinance or rule or any agency or local governmental entity involving public contracts for goods or services of \$1 million or more with a company engaged in scrutinized business operations.
- Requires the Department of Management Services to submit a written notice describing the section to the Attorney General of the United States within 30 days after July 1, 2011.
- Provides that the section becomes inoperative on the date that federal law ceases to authorize the states to adopt and enforce the contracting prohibitions of the type provided for in the section.

If approved by the Governor, these provisions take effect July 1, 2011.

Vote: Senate 37-0; House 118-0