

By the Committees on Appropriations; and Governmental Oversight and Accountability; and Senators Leek, Martin, Ingoglia, and Rodriguez

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1 A bill to be entitled
2 An act relating to entities that boycott Israel;
3 amending s. 215.4725, F.S.; defining terms; revising
4 definitions; requiring the public fund to make its
5 best efforts to identify certain institutions,
6 organizations, agencies, governments, and other
7 entities in which the public fund has direct or
8 indirect holdings; requiring the public fund to
9 compile and make available the Scrutinized Companies
10 or Other Entities that Boycott Israel List; requiring
11 the public fund to quarterly update and make publicly
12 available such list; revising the procedures the
13 public fund must follow for assembling companies or
14 other entities on such list; requiring the Department
15 of Management Services to work with the public fund to
16 determine the companies or other entities with which
17 the state contracts or has grant agreements; requiring
18 the department to notify certain companies that they
19 may be barred from future contracts with the state;
20 requiring the public fund to file a certain report
21 with each member of the Board of Trustees of the State
22 Board of Administration and with the Legislature which
23 includes such list; requiring the public fund to file
24 a certain report with a summary of correspondence
25 between other entities and the public fund; requiring
26 that specified actions be adopted and incorporated
27 into a certain statement; amending s. 265.286, F.S.;
28 requiring applicants to sign a certification form
29 attesting that they comply with specified

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30 antidiscrimination laws and will not engage in
31 antisemitic discrimination or antisemitic speech in
32 conjunction with the program or project for which
33 their grant is awarded; disqualifying for a specified
34 timeframe grant applicants that engage in boycotts,
35 antisemitic discrimination, or antisemitic speech;
36 requiring recipients found to have engaged in boycotts
37 or antisemitic discrimination in violation of their
38 certification to pay a specified penalty; authorizing
39 individuals to file a written complaint to the
40 Attorney General for not pursuing a cause of action
41 within a specified timeframe; requiring the Attorney
42 General to provide a written response within a
43 specified timeframe; amending s. 287.135, F.S.;
44 revising the definition of the term "awarding body";
45 revising the contract values that prohibit a company
46 or other entity from being eligible to bid on, submit
47 a proposal for, or enter into or renew a contract with
48 an agency or local governmental entity; requiring
49 agencies and local governmental entities that enter
50 into or renew a contract to include a specific
51 termination provision; authorizing agencies and local
52 governmental entities to bid on, submit a proposal
53 for, or enter into or renew a contract for goods and
54 services with other entities that boycott Israel under
55 specified circumstances; requiring other entities to
56 submit a certain certification at the same time as
57 they submit a bid or proposal or enter into or renew a
58 contract with an agency or local governmental entity;

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59 authorizing civil actions against companies and other
60 entities under specified conditions; providing an
61 effective date.

62
63 Be It Enacted by the Legislature of the State of Florida:

64
65 Section 1. Section 215.4725, Florida Statutes, is amended
66 to read:

67 215.4725 Prohibited investments ~~by the State Board of~~
68 ~~Administration~~; companies and other entities that boycott
69 Israel.-

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

71 (a) "Agency" means any of the various state officers,
72 departments, boards, commissions, divisions, bureaus, and
73 councils and any other unit of organization, however designated,
74 of the executive branch of state government.

75 (b) "Boycott Israel" or "boycott of Israel" means refusing
76 to deal, terminating business activities, or taking other
77 actions to limit commercial relations with Israel, or persons or
78 entities doing business in Israel or in Israeli-controlled
79 territories, in a discriminatory manner. A statement by a
80 company, an educational institution, a nonprofit organization,
81 an agency, a local governmental entity or unit thereof, or a
82 foreign government that it is participating in a boycott of
83 Israel, or that it has initiated a boycott in response to a
84 request for a boycott of Israel or in compliance with, or in
85 furtherance of, calls for a boycott of Israel, may be considered
86 by the State Board of Administration to be evidence that a
87 company or other entity is participating in a boycott of Israel.

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88 The term includes taking adverse action, including changes to
89 published commercial financial ratings, risk ratings, and
90 controversy ratings based on nonpecuniary factors, to inflict
91 economic harm on Israel or persons or entities doing business in
92 Israel or in Israeli-controlled territories. The term includes
93 trade practices that are prohibited by federal regulations
94 issued in compliance with 50 U.S.C. s. 4842 and does not include
95 trade practices that are preempted by federal law. The term also
96 includes an academic boycott of Israel in which an educational
97 institution enacts or implements restrictive policies, or
98 otherwise participates in activities having the object or effect
99 of restricting ongoing or potential academic relationships, on
100 the basis of ties to the State of Israel or its academic,
101 educational, or research institutions, or by holding
102 researchers, students, prospective students, guest lecturers,
103 and artists-in-residence or institutions collectively liable for
104 any alleged objectionable conduct by the State of Israel. An
105 educational institution is deemed to have engaged in an academic
106 boycott of Israel if any of its departments, centers, or other
107 organs engages in a boycott, or, in the case of a foreign
108 educational institution, if any faculty union recognized by that
109 institution engages in a boycott.

110 (c) ~~(b)~~ "Company" means an ~~a sole proprietorship,~~
111 organization, an association, a corporation, a partnership, a
112 joint venture, a limited partnership, a limited liability
113 partnership, a limited liability company, or other entity or
114 business association, including all wholly owned subsidiaries,
115 majority-owned subsidiaries, and parent companies, or
116 affiliates, having more than 10 full-time employees. The term

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117 does not include a natural person or a sole proprietorship that
118 exists for the purpose of making profit.

119 (d)~~(e)~~ "Direct holdings" in a company means all securities
120 of that company that are held directly by the public fund or in
121 an account or fund in which the public fund owns all shares or
122 interests.

123 (e)~~(d)~~ "Indirect holdings" in a company means all
124 securities of that company that are held in a commingled fund or
125 other collective investment, such as a mutual or index fund, in
126 which the public fund owns shares or interests, together with
127 other investors not subject to this section ~~or which are held in~~
128 ~~an index fund.~~

129 (f) "Local governmental entity" means a county,
130 municipality, special district, or other political subdivision.

131 (g) "Other entity" means an educational institution, a
132 nonprofit organization, an agency, a local governmental entity
133 or unit thereof, or a foreign government, including any of its
134 public investment funds, public pension funds, sovereign wealth
135 funds, or other government-sponsored investment funds.

136 (h)~~(e)~~ "Public fund" means all funds, assets, trustees
137 ~~trustee~~, and other designates under the State Board of
138 Administration pursuant to part I of chapter 121.

139 (i)~~(f)~~ "Scrutinized companies or other entities" means
140 companies or other entities that boycott Israel or engage in a
141 boycott of Israel.

142 (2) IDENTIFICATION OF COMPANIES OR OTHER ENTITIES.—

143 (a) The public fund shall make its best efforts to identify
144 all scrutinized companies or other entities in which the public
145 fund has direct or indirect holdings or could possibly have such

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146 holdings in the future. Such efforts include:

147 1. To the extent that the public fund finds it appropriate,
148 reviewing and relying on publicly available information
149 regarding companies or other entities that boycott Israel,
150 including information provided by nonprofit organizations,
151 research firms, international organizations, and government
152 entities;

153 2. Contacting asset managers contracted by the public fund
154 for information regarding companies or other entities that
155 boycott Israel; or

156 3. Contacting other institutional investors that prohibit
157 such investments or that have engaged with companies or other
158 entities that boycott Israel.

159 (b) By the first meeting of the public fund following the
160 identification of scrutinized companies in accordance with
161 paragraph (a), the public fund shall compile and make available
162 the "Scrutinized Companies or Other Entities that Boycott Israel
163 List."

164 (c) The public fund shall update and make publicly
165 available quarterly the Scrutinized Companies or Other Entities
166 that Boycott Israel List based on evolving information from,
167 among other sources, those listed in paragraph (a).

168 (3) REQUIRED ACTIONS.—The public fund shall adhere to the
169 following procedures for assembling companies or other entities
170 on the Scrutinized Companies or Other Entities that Boycott
171 Israel List.

172 (a) *Engagement.*—

173 1. The public fund shall immediately determine the
174 companies or other entities on the Scrutinized Companies or

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175 Other Entities that Boycott Israel List in which the public fund
176 owns direct or indirect holdings. The Department of Management
177 Services shall work with the public fund to determine the
178 companies or other entities with which the state currently
179 contracts or has a grant agreement, as detailed under ss.
180 287.135 and 265.286, respectively.

181 2. For each company or other entity newly identified under
182 this paragraph, the public fund shall send a written notice
183 informing the company or other entity of its scrutinized ~~company~~
184 status and that it may become subject to investment prohibition
185 or divestment by the public fund. The Department of Management
186 Services shall also notify each company or other entity newly
187 identified under this paragraph that it may be barred from
188 future contracts or grants awarded by the state. The notices
189 ~~notice~~ must inform the company or other entity of the
190 opportunity to clarify its activities regarding the boycott of
191 Israel and encourage the company or other entity to cease the
192 boycott of Israel within 90 days in order to avoid qualifying
193 for investment prohibition or divestment.

194 3. If, within 90 days after the public fund's first
195 engagement with a company or other entity pursuant to this
196 paragraph, the company or other entity ceases a boycott of
197 Israel, the company or other entity shall be removed from the
198 Scrutinized Companies or Other Entities that Boycott Israel
199 List, and ~~the provisions of this section ceases shall cease to~~
200 apply to that company or other entity unless that company or
201 other entity resumes a boycott of Israel.

202 (b) *Divestment.*—

203 1. If, after 90 days following the public fund's first

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204 engagement with a company or other entity pursuant to paragraph
205 (a), the company or other entity continues to boycott Israel,
206 the public fund must sell, redeem, divest, or withdraw all
207 publicly traded securities of the company or other entity from
208 the public fund within 12 months after the company's or other
209 entity's most recent appearance on the Scrutinized Companies or
210 Other Entities that Boycott Israel List.

211 2. If a company or other entity that ceased a boycott of
212 Israel following engagement pursuant to paragraph (a) resumes
213 such activities, this paragraph immediately applies, and the
214 public fund must send a written notice to the company or other
215 entity. The company or other entity must also be immediately
216 reintroduced onto the Scrutinized Companies or Other Entities
217 that Boycott Israel List, as applicable.

218 (c) *Prohibition.*—The public fund is prohibited from
219 acquiring securities of companies or other entities on the
220 Scrutinized Companies or Other Entities that Boycott Israel
221 List, except as provided in paragraph (d) and subsection (6).
222 The public fund and the endowments and retirement funds of the
223 State University System may not acquire or hold the debt of a
224 foreign government that is on the Scrutinized Companies or Other
225 Entities that Boycott Israel List, or of a foreign government
226 with a sovereign wealth fund that is on the Scrutinized
227 Companies or Other Entities that Boycott Israel List where the
228 foreign government has authority to actively control or manage
229 the fund.

230 (d) *Excluded securities.*—Notwithstanding this section,
231 paragraphs (b) and (c) do not apply to:

232 1. Indirect holdings. However, the public fund shall submit

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233 letters to the managers of such investment funds containing
234 companies that boycott Israel requesting that they consider
235 removing such companies from the fund or create a similar fund
236 having indirect holdings devoid of such companies. If the
237 manager creates a similar fund, the public fund shall replace
238 all applicable investments with investments in the similar fund
239 in an expedited timeframe consistent with prudent investing
240 standards. For the purposes of this section, an alternative
241 investment, as the term is defined in s. 215.4401, and
242 securities that are not publicly traded are deemed to be
243 indirect holdings.

244 2. Exchange-traded funds.

245 (4) REPORTING.—

246 (a) The public fund shall file a report with each member of
247 the Board of Trustees of the State Board of Administration, the
248 President of the Senate, and the Speaker of the House of
249 Representatives which includes the Scrutinized Companies or
250 Other Entities that Boycott Israel List within 30 days after the
251 list is created. This report shall be made available to the
252 public.

253 (b) At each quarterly meeting of the Board of Trustees
254 thereafter, the public fund shall file a report, which shall be
255 made available to the public and to each member of the Board of
256 Trustees of the State Board of Administration, the President of
257 the Senate, and the Speaker of the House of Representatives,
258 which includes:

259 1. A summary of correspondence with companies or other
260 entities engaged by the public fund under subsection (3);

261 2. All investments sold, redeemed, divested, or withdrawn

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262 in compliance with paragraph (3) (b);

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

264 4. Any progress made under paragraph (3) (d); and

265 5. A list of all publicly traded securities held directly
266 by the public fund.

267 (5) INVESTMENT POLICY STATEMENT OBLIGATIONS.—The public
268 fund's actions taken in compliance with this section, including
269 all good faith determinations regarding companies or other
270 entities as required by this act, shall be adopted and
271 incorporated into the public fund's investment policy statement
272 as provided in s. 215.475.

273 (6) INVESTMENT AND REINVESTMENT IN CERTAIN SCRUTINIZED
274 COMPANIES OR OTHER ENTITIES.—Notwithstanding any other provision
275 of this section, the public fund may invest in, cease divestment
276 from, or reinvest in certain scrutinized companies or other
277 entities if clear and convincing evidence shows that the value
278 of all assets under management by the public fund becomes equal
279 to or less than 99.50 percent, or 50 basis points, of the
280 hypothetical value of all assets under management by the public
281 fund, assuming no investment prohibition or divestment for any
282 company or other entity had occurred under subsection (3).
283 Cessation of the investment prohibition or the divestment, or
284 reinvestment or any new investment, in a scrutinized company or
285 other entity is limited to the minimum steps necessary to avoid
286 the contingency described in this subsection. For any cessation
287 of the investment prohibition or divestment, or reinvestment or
288 new investment authorized by this subsection, the public fund
289 shall provide a written report to each member of the Board of
290 Trustees of the State Board of Administration, the President of

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291 the Senate, and the Speaker of the House of Representatives in
292 advance of the cessation of investment prohibition or the
293 divestment, or reinvestment or new investment, updated
294 semiannually thereafter as applicable, setting forth the reasons
295 and justification, supported by clear and convincing evidence,
296 for its decisions to cease the investment prohibition or
297 divestment, or to reinvest in scrutinized companies or other
298 entities.

299 (7) STATE UNIVERSITY SYSTEM COMPLIANCE.—The endowment and
300 retirement funds of the universities of the State University
301 System are required to comply with the divestment requirement
302 and prohibition of acquiring securities of companies or other
303 entities on the Scrutinized Companies or Other Entities that
304 Boycott Israel List. The endowment and retirement funds of the
305 universities of the State University System are provided the
306 same exemption as provided in paragraph (3) (d).

307 Section 2. Paragraph (c) of subsection (6) of section
308 265.286, Florida Statutes, is amended, and paragraphs (d) and
309 (e) are added to that subsection, to read:

310 265.286 Art and cultural grants.—

311 (6) The division shall adopt rules establishing:

312 (c) The panel review process, including, but not limited
313 to, criteria for reviewing grant applications to ensure
314 compliance with applicable federal and state law, including
315 those related to discrimination and conflicts of interest. For
316 the purposes of satisfying the nondiscrimination requirements of
317 this section, each applicant must sign a certification form
318 attesting to the fact that they are complying with all relevant
319 antidiscrimination laws, including the anti-boycott rules of

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320 this state pursuant to ss. 215.4725 and 287.135, and will not
321 engage in antisemitic discrimination as defined by s. 1.015,
322 including refusals to deal based on an individual's or entity's
323 real or perceived connection to the State of Israel, or engage
324 in antisemitic speech as defined in s. 1.015, in conjunction
325 with the program or project for which their grant is awarded.
326 The division may not award any new grant that will, in whole or
327 in part, inure to the personal benefit of any council or review
328 panel member during the member's term of office if the council
329 or panel member participated in the vote of the council or panel
330 recommending the award. This paragraph does not prohibit the
331 division from awarding a grant to an entity with which a council
332 or panel member is associated.

333 (d) A grant applicant found to be engaging in any boycott
334 action, antisemitic discrimination, or antisemitic speech in
335 conjunction with the program or project for which the grant is
336 awarded shall be disqualified from grant eligibility until 10
337 years after any such action has ceased. A grant recipient found
338 to have engaged in a boycott of Israel or antisemitic
339 discrimination during the duration of the project or program for
340 which its grant was awarded shall be subject to a penalty
341 payable to the State Treasury of three times the amount of the
342 grant received for which the false certification was submitted.

343 (e) If the Attorney General fails to pursue a cause of
344 action within 90 days after a violation of paragraph (c),
345 individuals have the right to file a written complaint to the
346 Attorney General, who in turn will be required to provide a
347 written response within 30 days after receipt of the complaint.

348 Section 3. Section 287.135, Florida Statutes, is amended to

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349 read:

350 287.135 Prohibition against contracting with scrutinized
351 companies or entities.—

352 (1) In addition to the terms defined in ss. 287.012 and
353 215.473, as used in this section, the term:

354 (a) "Awarding body" means, for purposes of state contracts,
355 an agency or the department, and for purposes of local
356 contracts, ~~the governing body of~~ the local governmental entity.

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

359 (c) "Business operations" means, for purposes specifically
360 related to Cuba or Syria, engaging in commerce in any form in
361 Cuba or Syria, including, but not limited to, acquiring,
362 developing, maintaining, owning, selling, possessing, leasing,
363 or operating equipment, facilities, personnel, products,
364 services, personal property, real property, military equipment,
365 or any other apparatus of business or commerce.

366 (d) "Local governmental entity" means a county,
367 municipality, special district, or other political subdivision
368 of the state.

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

373 (a) One hundred thousand dollars or more ~~Any amount~~ if, at
374 the time of bidding on, submitting a proposal for, or entering
375 into or renewing such contract, the company or other entity is
376 on the Scrutinized Companies or Other Entities that Boycott
377 Israel List, created pursuant to s. 215.4725, or is engaged in a

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378 boycott of Israel; or

379 (b) One million dollars or more if, at the time of bidding
380 on, submitting a proposal for, or entering into or renewing such
381 contract, the company or other entity:

382 1. Is on the Scrutinized Companies with Activities in Sudan
383 List or the Scrutinized Companies with Activities in Iran
384 Terrorism Sectors List, created pursuant to s. 215.473; or

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

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

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

396 2. July 1, 2012, through September 30, 2016, must contain a
397 provision that allows for the termination of such contract at
398 the option of the awarding body if the company is found to have
399 submitted a false certification as provided under subsection
400 (5), been placed on the Scrutinized Companies with Activities in
401 Sudan List or the Scrutinized Companies with Activities in the
402 Iran Petroleum Energy Sector List, or been engaged in business
403 operations in Cuba or Syria.

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

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

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

411 c. Has been placed on the Scrutinized Companies with
412 Activities in Sudan List or the Scrutinized Companies with
413 Activities in the Iran Petroleum Energy Sector List; or

414 d. Has been engaged in business operations in Cuba or
415 Syria.

416 4. July 1, 2018, must contain a provision that allows for
417 the termination of such contract at the option of the awarding
418 body if the company is found to have submitted a false
419 certification as provided under subsection (5), been placed on
420 the Scrutinized Companies with Activities in Sudan List, or been
421 engaged in business operations in Cuba or Syria.

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

428 (b) Any contract with an agency or local governmental
429 entity for goods or services of any amount entered into or
430 renewed on or after:

431 1. July 1, 2018, must contain a provision that allows for
432 the termination of such contract at the option of the awarding
433 body if the company is found to have been placed on the
434 Scrutinized Companies that Boycott Israel List or is engaged in
435 a boycott of Israel.

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436 2. July 1, 2025, must contain a provision that allows for
437 the termination of such contract at the option of the awarding
438 body if the company or other entity is found to have been placed
439 on the Scrutinized Companies or Other Entities that Boycott
440 Israel List or is engaged in a boycott of Israel.

441 (4) Notwithstanding subsection (2) or subsection (3), an
442 agency or local governmental entity, on a case-by-case basis,
443 may allow a company on the Scrutinized Companies with Activities
444 in Sudan List, the Scrutinized Companies with Activities in the
445 Iran Petroleum Energy Sector List, or the Scrutinized Companies
446 with Activities in Iran Terrorism Sectors List, or a company
447 engaged in business operations in Cuba or Syria, to be eligible
448 for, bid on, submit a proposal for, or enter into or renew a
449 contract for goods or services of \$1 million or more, or may
450 allow a company or other entity on the Scrutinized Companies or
451 Other Entities that Boycott Israel List to be eligible for, bid
452 on, submit a proposal for, or enter into or renew a contract for
453 goods or services of any amount, under the conditions set forth
454 in paragraph (a) or the conditions set forth in paragraph (b):

455 (a)1. With respect to a company on the Scrutinized
456 Companies with Activities in Sudan List, all of the following
457 occur:

458 a. The scrutinized business operations were made before
459 July 1, 2011.

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

462 c. The agency or local governmental entity determines that
463 it is in the best interest of the state or local community to
464 contract with the company.

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465 d. The company has adopted, has publicized, and is
466 implementing a formal plan to cease scrutinized business
467 operations and to refrain from engaging in any new scrutinized
468 business operations.

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

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

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

474 c. The agency or local governmental entity determines that
475 it is in the best interest of the state or local community to
476 contract with the company.

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

480 3. With respect to a company or other entity on the
481 Scrutinized Companies or Other Entities that Boycott Israel
482 List, all of the following occur:

483 a. The boycott of Israel was initiated before October 1,
484 2016.

485 b. The company or other entity certifies in writing that it
486 has ceased its boycott of Israel.

487 c. The agency or local governmental entity determines that
488 it is in the best interest of the state or local community to
489 contract with the company or other entity.

490 d. The company or other entity has adopted, has publicized,
491 and is implementing a formal plan to cease scrutinized business
492 operations and to refrain from engaging in any new scrutinized
493 business operations.

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

497 a. The scrutinized business operations were made before
498 July 1, 2011.

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

501 c. The agency or local governmental entity determines that
502 it is in the best interest of the state or local community to
503 contract with the company.

504 d. The company has adopted, has publicized, and is
505 implementing a formal plan to cease scrutinized business
506 operations and to refrain from engaging in any new scrutinized
507 business operations.

508 5. With respect to a company on the Scrutinized Companies
509 with Activities in Iran Terrorism Sectors List other than those
510 companies included on the Scrutinized Companies with Activities
511 in the Iran Petroleum Energy Sector List as of November 6, 2023,
512 all of the following occur:

513 a. The scrutinized business operations were made before
514 January 10, 2024.

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

517 c. The agency or local governmental entity determines that
518 it is in the best interest of the state or local community to
519 contract with the company.

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

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523 business operations.

524 (b) One of the following occurs:

525 1. The local governmental entity makes a public finding
526 that, absent such an exemption, the local governmental entity
527 would be unable to obtain the goods or services for which the
528 contract is offered.

529 2. For a contract with an executive agency, the Governor
530 makes a public finding that, absent such an exemption, the
531 agency would be unable to obtain the goods or services for which
532 the contract is offered.

533 3. For a contract with an office of a state constitutional
534 officer other than the Governor, the state constitutional
535 officer makes a public finding that, absent such an exemption,
536 the office would be unable to obtain the goods or services for
537 which the contract is offered.

538 (5) At the time a company submits a bid or proposal for a
539 contract or before the company enters into or renews a contract
540 with an agency or local governmental entity for goods or
541 services of \$1 million or more, the company must certify that
542 the company is not on the Scrutinized Companies with Activities
543 in Sudan List or the Scrutinized Companies with Activities in
544 Iran Terrorism Sectors List and that it does not have business
545 operations in Cuba or Syria. At the time a company or other
546 entity submits a bid or proposal for a contract or before the
547 company or other entity enters into or renews a contract with an
548 agency or local governmental entity for goods or services of any
549 amount, the company or other entity must certify that the
550 company or other entity is not participating in a boycott of
551 Israel.

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552 (a) If, after the agency or the local governmental entity
553 determines, using credible information available to the public,
554 that the company or other entity has submitted a false
555 certification, the agency or local governmental entity shall
556 provide the company or other entity with written notice of its
557 determination. The company or other entity shall have 90 days
558 following receipt of the notice to respond in writing and to
559 demonstrate that the determination of false certification was
560 made in error. If the company or other entity does not make such
561 demonstration within 90 days after receipt of the notice, the
562 agency or the local governmental entity shall bring a civil
563 action against the company or other entity. If a civil action is
564 brought and the court determines that the company or other
565 entity submitted a false certification, the company or other
566 entity shall pay the penalty described in subparagraph 1. and
567 all reasonable attorney fees and costs, including any costs for
568 investigations that led to the finding of false certification.

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

572 2. The company or other entity is ineligible to bid on any
573 contract with an agency or local governmental entity for 3 years
574 after the date the agency or local governmental entity
575 determined that the company or other entity submitted a false
576 certification.

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

580 (6) Only the agency or local governmental entity that is a

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581 party to the contract may cause a civil action to be brought
582 under this section. This section does not create or authorize a
583 private right of action or enforcement of the penalties provided
584 in this section. An unsuccessful bidder, or any other person
585 other than the agency or local governmental entity, may not
586 protest the award of a contract or contract renewal on the basis
587 of a false certification.

588 (7) This section preempts any ordinance or rule of any
589 agency or local governmental entity involving public contracts
590 for goods or services of:

591 (a) One million dollars or more with a company or other
592 entity engaged in scrutinized business operations.

593 (b) One hundred thousand dollars or more ~~Any amount~~ with a
594 company or other entity that has been placed on the Scrutinized
595 Companies or Other Entities that Boycott Israel List or is
596 engaged in a boycott of Israel.

597 (8) The contracting prohibitions in this section applicable
598 to companies on the Scrutinized Companies with Activities in
599 Sudan List or the Scrutinized Companies with Activities in Iran
600 Terrorism Sectors List or to companies engaged in business
601 operations in Cuba or Syria become inoperative on the date that
602 federal law ceases to authorize the states to adopt and enforce
603 such contracting prohibitions.

604 Section 4. This act shall take effect July 1, 2025.