

1 A bill to be entitled
2 An act relating to entities that boycott Israel;
3 amending s. 215.4725, F.S.; providing and 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; revising reporting
15 requirements; requiring that specified actions be
16 adopted and incorporated into a certain statement;
17 revising the maximum percentage of the hypothetical
18 value of all assets under management by the public
19 fund which may be invested in scrutinized companies or
20 other entities under certain circumstances; amending
21 s. 265.286, F.S.; requiring an applicant to sign a
22 certification form attesting he or she complies with
23 specified antidiscrimination laws and does not engage
24 in antisemitism or antisemitic actions; disqualifying
25 grant applicants who engage in boycotts, antisemitic

26 | action, or discrimination; requiring recipients found
27 | to have engaged in boycotts to pay a fine; authorizing
28 | individuals to file a written complaint to the
29 | Attorney General for not pursuing a cause of action
30 | within a specified timeframe; requiring the Attorney
31 | General to provide a written response within a
32 | specified timeframe; amending s. 287.135, F.S.;
33 | revising the definition of the term "awarding body";
34 | revising the contract values that prohibit a company
35 | or other entity from being eligible to bid on, submit
36 | a proposal for, or enter into or renew a contract with
37 | an agency or local governmental entity; authorizing
38 | agencies and local governmental entities to bid on,
39 | submit a proposal for, or enter into or renew a
40 | contract for goods and services with other entities
41 | that boycott Israel under specified circumstances;
42 | requiring other entities to submit a certain
43 | certification at the same time as they submit a bid or
44 | proposal or enter into or renew a contract with an
45 | agency or local governmental entity; authorizing civil
46 | actions against companies and other entities under
47 | specified conditions; providing an effective date.

48 |
49 | Be It Enacted by the Legislature of the State of Florida:
50 |

51 **Section 1. Section 215.4725, Florida Statutes, is amended**
 52 **to read:**

53 215.4725 Prohibited investments by the State Board of
 54 Administration; companies that boycott Israel.—

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

56 (a) "Agency" means any of the various state officers,
 57 departments, boards, commissions, divisions, bureaus, and
 58 councils and any other unit of organization, however designated,
 59 of the executive branch of state government.

60 (b) "Boycott Israel" or "boycott of Israel" means refusing
 61 to deal, terminating business activities, or taking other
 62 actions to limit commercial relations with Israel, or persons or
 63 entities doing business in Israel or in Israeli-controlled
 64 territories, in a discriminatory manner. A statement by a United
 65 States or foreign company, educational institution, nonprofit
 66 organization, agency, or local governmental entity or unit
 67 thereof, or a foreign government, that it is participating in a
 68 boycott of Israel, or that it has initiated a boycott in
 69 response to a request for a boycott of Israel or in compliance
 70 with, or in furtherance of, calls for a boycott of Israel, may
 71 be considered by the State Board of Administration to be
 72 evidence that the United States or foreign a company or other
 73 entity is participating in a boycott of Israel. The term
 74 includes taking adverse action, including changes to published
 75 commercial financial ratings, risk ratings, and controversy

76 ratings based on nonpecuniary factors, to inflict economic harm
77 on Israel or persons or entities doing business in Israel or in
78 Israeli-controlled territories. The term includes trade
79 practices that are prohibited by federal regulations issued in
80 compliance with 50 U.S.C. s. 4842 and does not include trade
81 practices that are preempted by federal law. The term also
82 includes an academic boycott of Israel in which an educational
83 institution enacts or implements restrictive policies, or
84 otherwise participates in activities having the object or effect
85 of restricting ongoing or potential academic relationships, on
86 the basis of ties to the State of Israel or its academic,
87 educational, or research institutions; or by holding
88 researchers, students, prospective students, guest lecturers,
89 and artists-in-residence or institutions collectively liable for
90 any alleged objectionable conduct by the State of Israel. An
91 educational institution is deemed to have engaged in an academic
92 boycott of Israel if any of its departments, centers, or other
93 organizations engages in a boycott or, in the case of a foreign
94 educational institution, if any faculty union recognized by that
95 institution engages in a boycott.

96 (c) (b) "Company" means an a sole proprietorship,
97 organization, association, corporation, partnership, joint
98 venture, limited partnership, limited liability partnership,
99 limited liability company, or other entity or business
100 association, including all wholly owned subsidiaries, majority-

101 owned subsidiaries, ~~and~~ parent companies, or affiliates having
102 more than 10 full-time employees. The term does not include a
103 natural person or sole proprietorship ~~that exists for the~~
104 ~~purpose of making profit.~~

105 (d)(e) "Direct holdings" in a company means all securities
106 of that company that are held directly by the public fund or in
107 an account or fund in which the public fund owns all shares or
108 interests.

109 (e)(d) "Indirect holdings" in a company means all
110 securities of that company that are held in a commingled fund or
111 other collective investment, such as a mutual or index fund, in
112 which the public fund owns shares or interests, together with
113 other investors not subject to this section ~~or which are held in~~
114 ~~an index fund.~~

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

117 (g) "Other entity" means a United States or foreign
118 educational institution, nonprofit organization, agency, or
119 local governmental entity or unit thereof, or a foreign
120 government, including any of its public investment funds, public
121 pension funds, sovereign wealth funds, or other government-
122 sponsored investment funds.

123 (h)(e) "Public fund" means all funds, assets, trustees
124 ~~trustee~~, and other designates under the State Board of
125 Administration pursuant to part I of chapter 121 and includes

126 | the endowment and retirement funds of the universities of the
127 | State University System.

128 | (i)-(f) "Scrutinized companies or other entities" means
129 | United States or foreign companies, educational institutions,
130 | nonprofit organizations, and local governmental entities that
131 | boycott Israel or engage in a boycott of Israel.

132 | (2) IDENTIFICATION OF COMPANIES OR OTHER ENTITIES.—

133 | (a) The public fund shall make its best efforts to
134 | identify all scrutinized companies or other entities in which
135 | the public fund has direct or indirect holdings or could
136 | possibly have such holdings in the future. Such efforts include:

137 | 1. To the extent that the public fund finds it
138 | appropriate, reviewing and relying on publicly available
139 | information regarding companies or other entities that boycott
140 | Israel, including information provided by nonprofit
141 | organizations, research firms, international organizations, and
142 | government entities;

143 | 2. Contacting asset managers contracted by the public fund
144 | for information regarding companies or other entities that
145 | boycott Israel; or

146 | 3. Contacting other institutional investors that prohibit
147 | such investments or that have engaged with companies or other
148 | entities that boycott Israel.

149 | (b) By the first meeting of the public fund following the
150 | identification of scrutinized companies in accordance with

151 paragraph (a), the public fund shall compile and make available
 152 the "Scrutinized Companies or Other Entities that Boycott Israel
 153 List."

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

158 (3) REQUIRED ACTIONS.—The public fund shall adhere to the
 159 following procedures for assembling companies or other entities
 160 on the Scrutinized Companies or Other Entities that Boycott
 161 Israel List.

162 (a) *Engagement.*—

163 1. The public fund shall immediately determine the
 164 companies or other entities on the Scrutinized Companies or
 165 Other Entities that Boycott Israel List in which the public fund
 166 owns direct or indirect holdings or with which the state
 167 currently contracts or has a grant agreement, as detailed under
 168 s. 287.135 or s. 265.286, respectively.

169 2. For each company or other entity newly identified under
 170 this paragraph, the public fund shall send a written notice
 171 informing the company or other entity of its scrutinized ~~company~~
 172 status and that it may become subject to investment prohibition
 173 or divestment by the public fund or may become barred from
 174 future contracts or grants awarded by the state. The notice must
 175 inform the company or other entity of the opportunity to clarify

176 its activities regarding the boycott of Israel and encourage the
177 company or other entity to cease the boycott of Israel within 90
178 days in order to avoid qualifying for investment prohibition or
179 divestment.

180 3. If, within 90 days after the public fund's first
181 engagement with a company or other entity pursuant to this
182 paragraph, the company or other entity ceases a boycott of
183 Israel, the company or other entity shall be removed from the
184 Scrutinized Companies or Other Entities that Boycott Israel
185 List, and ~~the provisions of this section ceases shall cease~~ to
186 apply to that company or other entity unless that company or
187 other entity resumes a boycott of Israel.

188 (b) *Divestment.*—

189 1. If, after 90 days following the public fund's first
190 engagement with a company or other entity pursuant to paragraph
191 (a), the company or other entity continues to boycott Israel,
192 the public fund must sell, redeem, divest, or withdraw all
193 publicly traded securities of the company or other entity from
194 the public fund within 12 months after the company's or other
195 entity's most recent appearance on the Scrutinized Companies or
196 Other Entities that Boycott Israel List.

197 2. If a company or other entity that ceased a boycott of
198 Israel following engagement pursuant to paragraph (a) resumes
199 such activities, this paragraph immediately applies, and the
200 public fund must send a written notice to the company or other

201 entity. The company or other entity must also be immediately
202 reintroduced onto the Scrutinized Companies or Other Entities
203 that Boycott Israel List, as applicable.

204 (c) *Prohibition.*—The public fund is prohibited from
205 acquiring securities of companies or other entities on the
206 Scrutinized Companies or Other Entities that Boycott Israel
207 List, except as provided in paragraph (d) and subsection (6).
208 The public fund may not acquire or hold the debt of a foreign
209 government if any of its public investment funds, public pension
210 funds, sovereign wealth funds, or other government-sponsored
211 investment funds are being used to support companies or other
212 entities that are engaged in a boycott of Israel.

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

215 1. Indirect holdings. However, the public fund shall
216 submit letters to the managers of such investment funds
217 containing companies that boycott Israel requesting that they
218 consider removing such companies from the fund or create a
219 similar fund having indirect holdings devoid of such companies.
220 If the manager creates a similar fund, the public fund shall
221 replace all applicable investments with investments in the
222 similar fund in an expedited timeframe consistent with prudent
223 investing standards. For the purposes of this section, an
224 alternative investment, as the term is defined in s. 215.4401,
225 and securities that are not publicly traded are deemed to be

226 indirect holdings.

227 2. Exchange-traded funds.

228 (4) REPORTING.—

229 (a) The public fund shall file a report with each member
230 of the Board of Trustees of the State Board of Administration,
231 the President of the Senate, and the Speaker of the House of
232 Representatives which includes the Scrutinized Companies or
233 Other Entities that Boycott Israel List within 30 days after the
234 list is created. This report shall be made available to the
235 public.

236 (b) At each quarterly meeting of the Board of Trustees
237 thereafter, the public fund shall file a report, which shall be
238 made available to the public and to each member of the Board of
239 Trustees of the State Board of Administration, the President of
240 the Senate, and the Speaker of the House of Representatives,
241 which includes:

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

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

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

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

248 5. A list of all publicly traded securities held directly
249 by the public fund.

250 (5) INVESTMENT POLICY STATEMENT OBLIGATIONS.—The public

251 fund's actions taken in compliance with this section, including
252 all good faith determinations regarding companies or other
253 entities as required by this act, shall be adopted and
254 incorporated into the public fund's investment policy statement
255 as provided in s. 215.475.

256 (6) INVESTMENT AND REINVESTMENT IN CERTAIN SCRUTINIZED
257 COMPANIES OR OTHER ENTITIES.—Notwithstanding any other provision
258 of this section, the public fund may invest in, cease divestment
259 from, or reinvest in certain scrutinized companies or other
260 entities if clear and convincing evidence shows that the value
261 of all scrutinized assets under management by the public fund
262 becomes equal to or less than 0.50 ~~99.50~~ percent, or 50 basis
263 points, of the hypothetical value of all assets under management
264 by the public fund, assuming no investment prohibition or
265 divestment for any company or other entity had occurred under
266 subsection (3). Cessation of the investment prohibition or the
267 divestment, or reinvestment or any new investment, in a
268 scrutinized company or other entity is limited to the minimum
269 steps necessary to avoid the contingency described in this
270 subsection. For any cessation of the investment prohibition or
271 divestment, or reinvestment or new investment authorized by this
272 subsection, the public fund shall provide a written report to
273 each member of the Board of Trustees of the State Board of
274 Administration, the President of the Senate, and the Speaker of
275 the House of Representatives in advance of the cessation of

276 investment prohibition or the divestment, or reinvestment or new
277 investment, updated semiannually thereafter as applicable,
278 setting forth the reasons and justification, supported by clear
279 and convincing evidence, for its decisions to cease the
280 investment prohibition or divestment, or to reinvest in
281 scrutinized companies or other entities.

282 **Section 2. Paragraph (c) of subsection (6) of section**
283 **265.286, Florida Statutes, is amended, and paragraphs (d) and**
284 **(e) are added to that subsection, to read:**

285 265.286 Art and cultural grants.—

286 (6) The division shall adopt rules establishing:

287 (c) The panel review process, including, but not limited
288 to, criteria for reviewing grant applications to ensure
289 compliance with applicable federal and state law, including
290 those related to discrimination and conflicts of interest. For
291 the purposes of satisfying the nondiscrimination requirements of
292 this section, each applicant must sign a certification form
293 attesting to the fact that he or she is complying with all
294 relevant antidiscrimination laws, including the anti-boycott
295 rules of this state pursuant to ss. 215.4725 and 287.135, and
296 will not engage in antisemitic discrimination as described in s.
297 1.015, including refusals to deal based on an individual's or
298 entity's real or perceived connection to the State of Israel,
299 for the duration of the program or project for which his or her
300 grant is awarded. The division may not award any new grant that

301 will, in whole or in part, inure to the personal benefit of any
302 council or review panel member during the member's term of
303 office if the council or panel member participated in the vote
304 of the council or panel recommending the award. This paragraph
305 does not prohibit the division from awarding a grant to an
306 entity with which a council or panel member is associated.

307 (d) A grant applicant found to be engaging in any boycott
308 action or antisemitic discrimination shall be disqualified from
309 grant eligibility until 10 years after any such action has
310 ceased. A grant recipient found to have engaged in a boycott of
311 Israel or antisemitic discrimination during the duration of the
312 project or program for which the grant was awarded shall be
313 subject to a penalty payable to the State Treasury of three
314 times the amount of the grant awarded for which the false
315 certification was submitted.

316 (e) If the Attorney General fails to pursue a cause of
317 action within 90 days after a violation of paragraph (c), an
318 individual has the right to file a written complaint to the
319 Attorney General, who in turn will be required to provide a
320 written response within 30 days after receipt of the complaint.

321 **Section 3. Section 287.135, Florida Statutes, is amended**
322 **to read:**

323 287.135 Prohibition against contracting with scrutinized
324 companies or entities.-

325 (1) In addition to the terms defined in ss. 287.012 and

326 | 215.473, as used in this section, the term:

327 | (a) "Awarding body" means, for purposes of state
328 | contracts, an agency or the department, and for purposes of
329 | local contracts, ~~the governing body of~~ the local governmental
330 | entity.

331 | (b) "Boycott of Israel" has the same meaning as defined in
332 | s. 215.4725.

333 | (c) "Business operations" means, for purposes specifically
334 | related to Cuba or Syria, engaging in commerce in any form in
335 | Cuba or Syria, including, but not limited to, acquiring,
336 | developing, maintaining, owning, selling, possessing, leasing,
337 | or operating equipment, facilities, personnel, products,
338 | services, personal property, real property, military equipment,
339 | or any other apparatus of business or commerce.

340 | (d) "Local governmental entity" means a county,
341 | municipality, special district, or other political subdivision
342 | of the state.

343 | (2) A company or other entity is ineligible to, and may
344 | not, bid on, submit a proposal for, or enter into or renew a
345 | contract with an agency or local governmental entity for goods
346 | or services of:

347 | (a) One hundred thousand dollars or more ~~Any amount~~ if, at
348 | the time of bidding on, submitting a proposal for, or entering
349 | into or renewing such contract, the company or other entity is
350 | on the Scrutinized Companies or Other Entities that Boycott

351 Israel List, created pursuant to s. 215.4725, or is engaged in a
 352 boycott of Israel; ~~or~~

353 (b) One thousand dollars or more, in the case of a foreign
 354 educational institution, including tuition payments made
 355 directly to such institutions by students receiving study abroad
 356 credit at state colleges and universities if, at the time of
 357 bidding on, submitting a proposal for, or entering into or
 358 renewing such contract, the foreign educational institution is
 359 on the Scrutinized Companies and Other Entities that Boycott
 360 Israel List pursuant to s. 215.4725, or is engaged in a boycott
 361 of Israel; or

362 (c) ~~(b)~~ One million dollars or more if, at the time of
 363 bidding on, submitting a proposal for, or entering into or
 364 renewing such contract, the company or other entity:

- 365 1. Is on the Scrutinized Companies with Activities in
- 366 Sudan List or the Scrutinized Companies with Activities in Iran
- 367 Terrorism Sectors List, created pursuant to s. 215.473; or
- 368 2. Is engaged in business operations in Cuba or Syria.

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

- 372 1. July 1, 2011, through June 30, 2012, must contain a
- 373 provision that allows for the termination of such contract at
- 374 the option of the awarding body if the company is found to have
- 375 submitted a false certification as provided under subsection (5)

376 or been placed on the Scrutinized Companies with Activities in
377 Sudan List or the Scrutinized Companies with Activities in the
378 Iran Petroleum Energy Sector List.

379 2. July 1, 2012, through September 30, 2016, must contain
380 a provision that allows for the termination of such contract at
381 the option of the awarding body if the company is found to have
382 submitted a false certification as provided under subsection
383 (5), been placed on the Scrutinized Companies with Activities in
384 Sudan List or the Scrutinized Companies with Activities in the
385 Iran Petroleum Energy Sector List, or been engaged in business
386 operations in Cuba or Syria.

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

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

392 b. Has been placed on the Scrutinized Companies or Other
393 Entities that Boycott Israel List, or is engaged in a boycott of
394 Israel;

395 c. Has been placed on the Scrutinized Companies with
396 Activities in Sudan List or the Scrutinized Companies with
397 Activities in the Iran Petroleum Energy Sector List; or

398 d. Has been engaged in business operations in Cuba or
399 Syria.

400 4. July 1, 2018, must contain a provision that allows for

401 the termination of such contract at the option of the awarding
402 body if the company or other entity is found to have submitted a
403 false certification as provided under subsection (5), been
404 placed on the Scrutinized Companies with Activities in Sudan
405 List, or been engaged in business operations in Cuba or Syria.

406 5. July 1, 2018, must contain a provision that allows for
407 the termination of such contract at the option of the awarding
408 body if the company or other entity is found to have submitted a
409 false certification as provided under subsection (5) or has been
410 placed on a list created pursuant to s. 215.473, relating to
411 scrutinized active business operations in Iran.

412 (b) Any contract with an agency or local governmental
413 entity for goods or services of any amount entered into or
414 renewed on or after July 1, 2018, must contain a provision that
415 allows for the termination of such contract at the option of the
416 awarding body if the company or other entity is found to have
417 been placed on the Scrutinized Companies or Other Entities that
418 Boycott Israel List or is engaged in a boycott of Israel.

419 (4) Notwithstanding subsection (2) or subsection (3), an
420 agency or local governmental entity, on a case-by-case basis,
421 may allow a company on the Scrutinized Companies with Activities
422 in Sudan List, the Scrutinized Companies with Activities in the
423 Iran Petroleum Energy Sector List, or the Scrutinized Companies
424 with Activities in Iran Terrorism Sectors List, or a company
425 engaged in business operations in Cuba or Syria, to be eligible

426 for, bid on, submit a proposal for, or enter into or renew a
427 contract for goods or services of \$1 million or more, or may
428 allow a company or other entity on the Scrutinized Companies or
429 Other Entities that Boycott Israel List to be eligible for, bid
430 on, submit a proposal for, or enter into or renew a contract for
431 goods or services of any amount, under the conditions set forth
432 in paragraph (a) or the conditions set forth in paragraph (b):

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

436 a. The scrutinized business operations were made before
437 July 1, 2011.

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

440 c. The agency or local governmental entity determines that
441 it is in the best interest of the state or local community to
442 contract with the company.

443 d. The company has adopted, has publicized, and is
444 implementing a formal plan to cease scrutinized business
445 operations and to refrain from engaging in any new scrutinized
446 business operations.

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

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

450 b. The business operations have not been expanded or

451 renewed after July 1, 2012.

452 c. The agency or local governmental entity determines that
453 it is in the best interest of the state or local community to
454 contract with the company.

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

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

461 a. The boycott of Israel was initiated before October 1,
462 2016.

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

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

468 d. The company or other entity has adopted, has
469 publicized, and is implementing a formal plan to cease
470 scrutinized business operations and to refrain from engaging in
471 any new scrutinized business operations.

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

475 a. The scrutinized business operations were made before

476 July 1, 2011.

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

479 c. The agency or local governmental entity determines that
480 it is in the best interest of the state or local community to
481 contract with the company.

482 d. The company has adopted, has publicized, and is
483 implementing a formal plan to cease scrutinized business
484 operations and to refrain from engaging in any new scrutinized
485 business operations.

486 5. With respect to a company on the Scrutinized Companies
487 with Activities in Iran Terrorism Sectors List other than those
488 companies included on the Scrutinized Companies with Activities
489 in the Iran Petroleum Energy Sector List as of November 6, 2023,
490 all of the following occur:

491 a. The scrutinized business operations were made before
492 January 10, 2024.

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

495 c. The agency or local governmental entity determines that
496 it is in the best interest of the state or local community to
497 contract with the company.

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

501 business operations.

502 (b) One of the following occurs:

503 1. The local governmental entity makes a public finding
504 that, absent such an exemption, the local governmental entity
505 would be unable to obtain the goods or services for which the
506 contract is offered.

507 2. For a contract with an executive agency, the Governor
508 makes a public finding that, absent such an exemption, the
509 agency would be unable to obtain the goods or services for which
510 the contract is offered.

511 3. For a contract with an office of a state constitutional
512 officer other than the Governor, the state constitutional
513 officer makes a public finding that, absent such an exemption,
514 the office would be unable to obtain the goods or services for
515 which the contract is offered.

516 (5) At the time a company submits a bid or proposal for a
517 contract or before the company enters into or renews a contract
518 with an agency or local governmental entity for goods or
519 services of \$1 million or more, the company must certify that
520 the company is not on the Scrutinized Companies with Activities
521 in Sudan List or the Scrutinized Companies with Activities in
522 Iran Terrorism Sectors List and that it does not have business
523 operations in Cuba or Syria. At the time a company or other
524 entity submits a bid or proposal for a contract or before the
525 company or other entity enters into or renews a contract with an

526 agency or local governmental entity for goods or services of any
527 amount, the company or other entity must certify that the
528 company or other entity is not participating in a boycott of
529 Israel.

530 (a) If, after the agency or the local governmental entity
531 determines, using credible information available to the public,
532 that the company or other entity has submitted a false
533 certification, the agency or local governmental entity shall
534 provide the company or other entity with written notice of its
535 determination. The company or other entity shall have 90 days
536 following receipt of the notice to respond in writing and to
537 demonstrate that the determination of false certification was
538 made in error. If the company or other entity does not make such
539 demonstration within 90 days after receipt of the notice, the
540 agency or the local governmental entity shall bring a civil
541 action against the company or other entity. If a civil action is
542 brought and the court determines that the company or other
543 entity submitted a false certification, the company or other
544 entity shall pay the penalty described in subparagraph 1. and
545 all reasonable attorney fees and costs, including any costs for
546 investigations that led to the finding of false certification.

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

550 2. The company or other entity is ineligible to bid on any

551 contract with an agency or local governmental entity for 3 years
552 after the date the agency or local governmental entity
553 determined that the company or other entity submitted a false
554 certification.

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

558 (6) Only the agency or local governmental entity that is a
559 party to the contract may cause a civil action to be brought
560 under this section. This section does not create or authorize a
561 private right of action or enforcement of the penalties provided
562 in this section. An unsuccessful bidder, or any other person
563 other than the agency or local governmental entity, may not
564 protest the award of a contract or contract renewal on the basis
565 of a false certification.

566 (7) This section preempts any ordinance or rule of any
567 agency or local governmental entity involving public contracts
568 for goods or services of:

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

571 (b) Any amount with a company or other entity that has
572 been placed on the Scrutinized Companies or Other Entities that
573 Boycott Israel List or is engaged in a boycott of Israel.

574 (8) The contracting prohibitions in this section
575 applicable to companies on the Scrutinized Companies with

576 | Activities in Sudan List or the Scrutinized Companies with
577 | Activities in Iran Terrorism Sectors List or to companies
578 | engaged in business operations in Cuba or Syria become
579 | inoperative on the date that federal law ceases to authorize the
580 | states to adopt and enforce such contracting prohibitions.

581 | **Section 4.** This act shall take effect July 1, 2025.