

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 public fund
15 to file a certain report with each member of the Board
16 of Trustees of the State Board of Administration and
17 with the Legislature which includes such list;
18 requiring the public fund to file a certain report
19 with a summary of correspondence between other
20 entities and the public fund; requiring that specified
21 actions be adopted and incorporated into a certain
22 statement; amending s. 265.286, F.S.; requiring
23 applicants to sign a certification form attesting that
24 they are complying with specified antidiscrimination
25 laws and will not engage in antisemitic discrimination

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

51 submit a certain certification at the same time as
 52 they submit a bid or proposal or enter into or renew a
 53 contract with an agency or local governmental entity;
 54 authorizing civil actions against companies and other
 55 entities under specified conditions; providing an
 56 effective date.

57

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

59

60 **Section 1. Section 215.4725, Florida Statutes, is amended**
 61 **to read:**

62 215.4725 Prohibited investments by the State Board of
 63 Administration; companies that boycott Israel.-

64 (1) DEFINITIONS.-As used in this section, the term:

65 (a) "Agency" means any of the various state officers,
 66 departments, boards, commissions, divisions, bureaus, and
 67 councils and any other unit of organization, however designated,
 68 of the executive branch of state government.

69 (b) "Boycott Israel" or "boycott of Israel" means refusing
 70 to deal, terminating business activities, or taking other
 71 actions to limit commercial relations with Israel, or persons or
 72 entities doing business in Israel or in Israeli-controlled
 73 territories, in a discriminatory manner. A statement by a
 74 company, an educational institution, a nonprofit organization,
 75 an agency, a local governmental entity or unit thereof, or a

76 | foreign government that it is participating in a boycott of
77 | Israel, or that it has initiated a boycott in response to a
78 | request for a boycott of Israel or in compliance with, or in
79 | furtherance of, calls for a boycott of Israel, may be considered
80 | by the State Board of Administration to be evidence that a
81 | company or other entity is participating in a boycott of Israel.
82 | The term includes taking adverse action, including changes to
83 | published commercial financial ratings, risk ratings, and
84 | controversy ratings based on nonpecuniary factors, to inflict
85 | economic harm on Israel or persons or entities doing business in
86 | Israel or in Israeli-controlled territories. The term includes
87 | trade practices that are prohibited by federal regulations
88 | issued in compliance with 50 U.S.C. s. 4842 and does not include
89 | trade practices that are preempted by federal law. The term also
90 | includes an academic boycott of Israel in which an educational
91 | institution enacts or implements restrictive policies, or
92 | otherwise participates in activities having the object or effect
93 | of restricting ongoing or potential academic relationships, on
94 | the basis of ties to the State of Israel or its academic,
95 | educational, or research institutions; or by holding
96 | researchers, students, prospective students, guest lecturers,
97 | and artists-in-residence, or institutions collectively liable
98 | for any alleged objectionable conduct by the State of Israel. An
99 | educational institution is deemed to have engaged in an academic
100 | boycott of Israel if any of its departments, centers, or other

101 organs engages in a boycott or, in the case of a foreign
102 educational institution, if any faculty union recognized by that
103 institution engages in a boycott.

104 (c)~~(b)~~ "Company" means a sole proprietorship,
105 organization, association, corporation, partnership, joint
106 venture, limited partnership, limited liability partnership,
107 limited liability company, or other entity or business
108 association, including all wholly owned subsidiaries, majority-
109 owned subsidiaries, and parent companies, or affiliates having
110 more than 10 full-time employees. The term does not include a
111 natural person or a sole proprietorship that exists for the
112 purpose of making profit.

113 (d)~~(e)~~ "Direct holdings" in a company means all securities
114 of that company that are held directly by the public fund or in
115 an account or fund in which the public fund owns all shares or
116 interests.

117 (e)~~(d)~~ "Indirect holdings" in a company means all
118 securities of that company that are held in a commingled fund or
119 other collective investment, such as a mutual or index fund, in
120 which the public fund owns shares or interests, together with
121 other investors not subject to this section ~~or which are held in~~
122 ~~an index fund.~~

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

125 (g) "Other entity" means an educational institution, a

126 nonprofit organization, an agency, a local governmental entity
127 or unit thereof, or a foreign government, including any of its
128 public investment funds, public pension funds, sovereign wealth
129 funds, or other government-sponsored investment funds.

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

133 (i)~~(f)~~ "Scrutinized companies or other entities" means
134 companies or other entities that boycott Israel or engage in a
135 boycott of Israel.

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

137 (a) The public fund shall make its best efforts to
138 identify all scrutinized companies or other entities in which
139 the public fund has direct or indirect holdings or could
140 possibly have such holdings in the future. Such efforts include:

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

147 2. Contacting asset managers contracted by the public fund
148 for information regarding companies or other entities that
149 boycott Israel; or

150 3. Contacting other institutional investors that prohibit

151 such investments or that have engaged with companies or other
 152 entities that boycott Israel.

153 (b) By the first meeting of the public fund following the
 154 identification of scrutinized companies in accordance with
 155 paragraph (a), the public fund shall compile and make available
 156 the "Scrutinized Companies or Other Entities that Boycott Israel
 157 List."

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

162 (3) REQUIRED ACTIONS.—The public fund shall adhere to the
 163 following procedures for assembling companies or other entities
 164 on the Scrutinized Companies or Other Entities that Boycott
 165 Israel List.

166 (a) *Engagement.*—

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

173 2. For each company or other entity newly identified under
 174 this paragraph, the public fund shall send a written notice
 175 informing the company or other entity of its scrutinized ~~company~~

176 status and that it may become subject to investment prohibition
177 or divestment by the public fund or may become barred from
178 future contracts or grants awarded by the state. The notice must
179 inform the company or other entity of the opportunity to clarify
180 its activities regarding the boycott of Israel and encourage the
181 company or other entity to cease the boycott of Israel within 90
182 days in order to avoid qualifying for investment prohibition or
183 divestment.

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

192 (b) *Divestment.*—

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

201 2. If a company or other entity that ceased a boycott of
202 Israel following engagement pursuant to paragraph (a) resumes
203 such activities, this paragraph immediately applies, and the
204 public fund must send a written notice to the company or other
205 entity. The company or other entity must also be immediately
206 reintroduced onto the Scrutinized Companies or Other Entities
207 that Boycott Israel List, as applicable.

208 (c) *Prohibition.*—The public fund is prohibited from
209 acquiring securities of companies or other entities on the
210 Scrutinized Companies or Other Entities that Boycott Israel
211 List, except as provided in paragraph (d) and subsection (6).
212 The public fund and the endowments and retirement funds of the
213 State University System may not acquire or hold the debt of a
214 foreign government that is on the Scrutinized Companies or Other
215 Entities that Boycott Israel List, or of a foreign government
216 with a sovereign wealth fund that is on the Scrutinized
217 Companies or Other Entities that Boycott Israel List, when the
218 foreign government has authority to actively control or manage
219 the fund.

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

222 1. Indirect holdings. However, the public fund shall
223 submit letters to the managers of such investment funds
224 containing companies that boycott Israel requesting that they
225 consider removing such companies from the fund or create a

226 similar fund having indirect holdings devoid of such companies.
227 If the manager creates a similar fund, the public fund shall
228 replace all applicable investments with investments in the
229 similar fund in an expedited timeframe consistent with prudent
230 investing standards. For the purposes of this section, an
231 alternative investment, as the term is defined in s. 215.4401,
232 and securities that are not publicly traded are deemed to be
233 indirect holdings.

234 2. Exchange-traded funds.

235 (4) REPORTING.—

236 (a) The public fund shall file a report with each member
237 of the Board of Trustees of the State Board of Administration,
238 the President of the Senate, and the Speaker of the House of
239 Representatives which includes the Scrutinized Companies or
240 Other Entities that Boycott Israel List within 30 days after the
241 list is created. This report shall be made available to the
242 public.

243 (b) At each quarterly meeting of the Board of Trustees
244 thereafter, the public fund shall file a report, which shall be
245 made available to the public and to each member of the Board of
246 Trustees of the State Board of Administration, the President of
247 the Senate, and the Speaker of the House of Representatives,
248 which includes:

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

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

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

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

255 5. A list of all publicly traded securities held directly
256 by the public fund.

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

263 (6) INVESTMENT AND REINVESTMENT IN CERTAIN SCRUTINIZED
264 COMPANIES OR OTHER ENTITIES.—Notwithstanding any other provision
265 of this section, the public fund may invest in, cease divestment
266 from, or reinvest in certain scrutinized companies or other
267 entities if clear and convincing evidence shows that the value
268 of all assets under management by the public fund becomes equal
269 to or less than 99.50 percent, or 50 basis points, of the
270 hypothetical value of all assets under management by the public
271 fund, assuming no investment prohibition or divestment for any
272 company or other entity had occurred under subsection (3).
273 Cessation of the investment prohibition or the divestment, or
274 reinvestment or any new investment, in a scrutinized company or
275 other entity is limited to the minimum steps necessary to avoid

276 the contingency described in this subsection. For any cessation
277 of the investment prohibition or divestment, or reinvestment or
278 new investment authorized by this subsection, the public fund
279 shall provide a written report to each member of the Board of
280 Trustees of the State Board of Administration, the President of
281 the Senate, and the Speaker of the House of Representatives in
282 advance of the cessation of investment prohibition or the
283 divestment, or reinvestment or new investment, updated
284 semiannually thereafter as applicable, setting forth the reasons
285 and justification, supported by clear and convincing evidence,
286 for its decisions to cease the investment prohibition or
287 divestment, or to reinvest in scrutinized companies or other
288 entities.

289 (7) STATE UNIVERSITY SYSTEM COMPLIANCE.—The endowment and
290 retirement funds of the universities of the State University
291 System are required to comply with the divestment requirement
292 and prohibition of acquiring securities of companies or other
293 entities on the Scrutinized Companies or Other Entities that
294 Boycott Israel List. The endowment and retirement funds of the
295 universities of the State University System are provided the
296 same exemptions as provided in paragraph (3) (d).

297 **Section 2. Paragraph (c) of subsection (6) of section**
298 **265.286, Florida Statutes, is amended, and paragraphs (d) and**
299 **(e) are added to that subsection, to read:**

300 265.286 Art and cultural grants.—

301 (6) The division shall adopt rules establishing:

302 (c) The panel review process, including, but not limited
303 to, criteria for reviewing grant applications to ensure
304 compliance with applicable federal and state law, including
305 those related to discrimination and conflicts of interest. For
306 the purposes of satisfying the nondiscrimination requirements of
307 this section, each applicant must sign a certification form
308 attesting to the fact that the applicant is complying with all
309 relevant antidiscrimination laws, including the anti-boycott
310 rules of this state pursuant to ss. 215.4725 and 287.135, and
311 will not engage in antisemitic discrimination as defined in s.
312 1.015, including refusals to deal based on an individual's or
313 entity's real or perceived connection to the State of Israel, or
314 engage in antisemitic speech as defined by s. 1.015, in
315 conjunction with the program or project for which the grant is
316 awarded. The division may not award any new grant that will, in
317 whole or in part, inure to the personal benefit of any council
318 or review panel member during the member's term of office if the
319 council or panel member participated in the vote of the council
320 or panel recommending the award. This paragraph does not
321 prohibit the division from awarding a grant to an entity with
322 which a council or panel member is associated.

323 (d) A grant applicant found to be engaging in any boycott
324 action, antisemitic discrimination, or antisemitic speech in
325 conjunction with the program or project for which the grant is

326 awarded shall be disqualified from grant eligibility until 10
327 years after any such action has ceased. A grant recipient found
328 to have engaged in a boycott of Israel or antisemitic
329 discrimination during the duration of the project or program for
330 which the grant was awarded shall be subject to a penalty
331 payable to the State Treasury of three times the amount of the
332 grant received for which the false certification was submitted.

333 (e) If the Attorney General fails to pursue a cause of
334 action within 90 days after a violation of paragraph (c),
335 individuals have the right to file a written complaint to the
336 Attorney General, who in turn will be required to provide a
337 written response within 30 days after receipt of the complaint.

338 **Section 3. Section 287.135, Florida Statutes, is amended**
339 **to read:**

340 287.135 Prohibition against contracting with scrutinized
341 companies or entities.—

342 (1) In addition to the terms defined in ss. 287.012 and
343 215.473, as used in this section, the term:

344 (a) "Awarding body" means, for purposes of state
345 contracts, an agency or the department, and for purposes of
346 local contracts, ~~the governing body of~~ the local governmental
347 entity.

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

350 (c) "Business operations" means, for purposes specifically

351 related to Cuba or Syria, engaging in commerce in any form in
352 Cuba or Syria, including, but not limited to, acquiring,
353 developing, maintaining, owning, selling, possessing, leasing,
354 or operating equipment, facilities, personnel, products,
355 services, personal property, real property, military equipment,
356 or any other apparatus of business or commerce.

357 (d) "Local governmental entity" means a county,
358 municipality, special district, or other political subdivision
359 of the state.

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

364 (a) One hundred thousand dollars or more ~~Any amount~~ if, at
365 the time of bidding on, submitting a proposal for, or entering
366 into or renewing such contract, the company or other entity is
367 on the Scrutinized Companies or Other Entities that Boycott
368 Israel List, created pursuant to s. 215.4725, or is engaged in a
369 boycott of Israel; or

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

373 1. Is on the Scrutinized Companies with Activities in
374 Sudan List or the Scrutinized Companies with Activities in Iran
375 Terrorism Sectors List, created pursuant to s. 215.473; or

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

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

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

387 2. July 1, 2012, through September 30, 2016, must contain
 388 a provision that allows for the termination of such contract at
 389 the option of the awarding body if the company is found to have
 390 submitted a false certification as provided under subsection
 391 (5), been placed on the Scrutinized Companies with Activities in
 392 Sudan List or the Scrutinized Companies with Activities in the
 393 Iran Petroleum Energy Sector List, or been engaged in business
 394 operations in Cuba or Syria.

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

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

400 b. Has been placed on the Scrutinized Companies that

401 Boycott Israel List, or is engaged in a boycott of Israel;

402 c. Has been placed on the Scrutinized Companies with
403 Activities in Sudan List or the Scrutinized Companies with
404 Activities in the Iran Petroleum Energy Sector List; or

405 d. Has been engaged in business operations in Cuba or
406 Syria.

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

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

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

422 1. 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 been placed on the
425 Scrutinized Companies that Boycott Israel List or is engaged in

426 a boycott of Israel.

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

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

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

449 a. The scrutinized business operations were made before
450 July 1, 2011.

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

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

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

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

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

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

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.

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

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

474 a. The boycott of Israel was initiated before October 1,
475 2016.

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

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

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

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

488 a. The scrutinized business operations were made before
489 July 1, 2011.

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

492 c. The agency or local governmental entity determines that
493 it is in the best interest of the state or local community to
494 contract with the company.

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

499 5. With respect to a company on the Scrutinized Companies
500 with Activities in Iran Terrorism Sectors List other than those

501 companies included on the Scrutinized Companies with Activities
502 in the Iran Petroleum Energy Sector List as of November 6, 2023,
503 all of the following occur:

504 a. The scrutinized business operations were made before
505 January 10, 2024.

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

508 c. The agency or local governmental entity determines that
509 it is in the best interest of the state or local community to
510 contract with the company.

511 d. The company has adopted, has publicized, and is
512 implementing a formal plan to cease those scrutinized business
513 operations and to refrain from engaging in any new scrutinized
514 business operations.

515 (b) One of the following occurs:

516 1. The local governmental entity makes a public finding
517 that, absent such an exemption, the local governmental entity
518 would be unable to obtain the goods or services for which the
519 contract is offered.

520 2. For a contract with an executive agency, the Governor
521 makes a public finding that, absent such an exemption, the
522 agency would be unable to obtain the goods or services for which
523 the contract is offered.

524 3. For a contract with an office of a state constitutional
525 officer other than the Governor, the state constitutional

526 officer makes a public finding that, absent such an exemption,
527 the office would be unable to obtain the goods or services for
528 which the contract is offered.

529 (5) At the time a company submits a bid or proposal for a
530 contract or before the company enters into or renews a contract
531 with an agency or local governmental entity for goods or
532 services of \$1 million or more, the company must certify that
533 the company is not on the Scrutinized Companies with Activities
534 in Sudan List or the Scrutinized Companies with Activities in
535 Iran Terrorism Sectors List and that it does not have business
536 operations in Cuba or Syria. At the time a company or other
537 entity submits a bid or proposal for a contract or before the
538 company or other entity enters into or renews a contract with an
539 agency or local governmental entity for goods or services of any
540 amount, the company or other entity must certify that the
541 company or other entity is not participating in a boycott of
542 Israel.

543 (a) If, after the agency or the local governmental entity
544 determines, using credible information available to the public,
545 that the company or other entity has submitted a false
546 certification, the agency or local governmental entity shall
547 provide the company or other entity with written notice of its
548 determination. The company or other entity shall have 90 days
549 following receipt of the notice to respond in writing and to
550 demonstrate that the determination of false certification was

551 made in error. If the company or other entity does not make such
552 demonstration within 90 days after receipt of the notice, the
553 agency or the local governmental entity shall bring a civil
554 action against the company or other entity. If a civil action is
555 brought and the court determines that the company or other
556 entity submitted a false certification, the company or other
557 entity shall pay the penalty described in subparagraph 1. and
558 all reasonable attorney fees and costs, including any costs for
559 investigations that led to the finding of false certification.

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

563 2. The company or other entity is ineligible to bid on any
564 contract with an agency or local governmental entity for 3 years
565 after the date the agency or local governmental entity
566 determined that the company or other entity submitted a false
567 certification.

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

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

576 other than the agency or local governmental entity, may not
577 protest the award of a contract or contract renewal on the basis
578 of a false certification.

579 (7) This section preempts any ordinance or rule of any
580 agency or local governmental entity involving public contracts
581 for goods or services of:

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

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

588 (8) The contracting prohibitions in this section
589 applicable to companies on the Scrutinized Companies with
590 Activities in Sudan List or the Scrutinized Companies with
591 Activities in Iran Terrorism Sectors List or to companies
592 engaged in business operations in Cuba or Syria become
593 inoperative on the date that federal law ceases to authorize the
594 states to adopt and enforce such contracting prohibitions.

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