

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  
16          for a specified purpose; requiring the Department of  
17          Management Services to provide specified notice to  
18          certain companies; requiring the public fund to file a  
19          certain report with each member of the Board of  
20          Trustees of the State Board of Administration and with  
21          the Legislature which includes such list; requiring  
22          the public fund to file a certain report with a  
23          summary of correspondence between other entities and  
24          the public fund; requiring that specified actions be  
25          adopted and incorporated into a certain statement;

26 | amending s. 265.286, F.S.; requiring applicants to  
27 | sign a certification form attesting that they are  
28 | complying with specified antidiscrimination laws and  
29 | will not engage in antisemitic discrimination or  
30 | antisemitic speech in conjunction with the program or  
31 | project for which their grant is awarded;  
32 | disqualifying for a specified timeframe grant  
33 | applicants that engage in boycotts, antisemitic  
34 | discrimination, or antisemitic speech; requiring  
35 | recipients found to have engaged in boycotts or  
36 | antisemitic discrimination in violation of their  
37 | certification to pay a specified penalty; authorizing  
38 | individuals to file a written complaint to the  
39 | Attorney General for not pursuing a cause of action  
40 | within a specified timeframe; requiring the Attorney  
41 | General to provide a written response within a  
42 | specified timeframe; amending s. 287.135, F.S.;  
43 | revising the definition of the term "awarding body";  
44 | revising the contract values that prohibit a company  
45 | or other entity from being eligible to bid on, submit  
46 | a proposal for, or enter into or renew a contract with  
47 | an agency or local governmental entity; requiring  
48 | agencies and local governmental entities that enter  
49 | into or renew a contract to include a specific  
50 | termination provision; authorizing agencies and local

51 governmental entities to bid on, submit a proposal  
 52 for, or enter into or renew a contract for goods and  
 53 services with other entities that boycott Israel under  
 54 specified circumstances; requiring other entities to  
 55 submit a certain certification at the same time as  
 56 they submit a bid or proposal or enter into or renew a  
 57 contract with an agency or local governmental entity;  
 58 authorizing civil actions against companies and other  
 59 entities under specified conditions; providing an  
 60 effective date.

61

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

63

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

66 215.4725 Prohibited investments ~~by the State Board of~~  
 67 ~~Administration;~~ companies and other entities that boycott  
 68 Israel.—

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

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

74 (b) "Boycott Israel" or "boycott of Israel" means refusing  
 75 to deal, terminating business activities, or taking other

76 | actions to limit commercial relations with Israel, or persons or  
77 | entities doing business in Israel or in Israeli-controlled  
78 | territories, in a discriminatory manner. A statement by a  
79 | company, an educational institution, a nonprofit organization,  
80 | an agency, a local governmental entity or unit thereof, or a  
81 | foreign government that it is participating in a boycott of  
82 | Israel, or that it has initiated a boycott in response to a  
83 | request for a boycott of Israel or in compliance with, or in  
84 | furtherance of, calls for a boycott of Israel, may be considered  
85 | by the State Board of Administration to be evidence that a  
86 | company or other entity is participating in a boycott of Israel.  
87 | The term includes taking adverse action, including changes to  
88 | published commercial financial ratings, risk ratings, and  
89 | controversy ratings based on nonpecuniary factors, to inflict  
90 | economic harm on Israel or persons or entities doing business in  
91 | Israel or in Israeli-controlled territories. The term includes  
92 | trade practices that are prohibited by federal regulations  
93 | issued in compliance with 50 U.S.C. s. 4842 and does not include  
94 | trade practices that are preempted by federal law. The term also  
95 | includes an academic boycott of Israel in which an educational  
96 | institution enacts or implements restrictive policies, or  
97 | otherwise participates in activities having the object or effect  
98 | of restricting ongoing or potential academic relationships, on  
99 | the basis of ties to the State of Israel or its academic,  
100 | educational, or research institutions, or by holding

101 researchers, students, prospective students, guest lecturers,  
102 and artists-in-residence or institutions collectively liable for  
103 any alleged objectionable conduct by the State of Israel. An  
104 educational institution is deemed to have engaged in an academic  
105 boycott of Israel if any of its departments, centers, or other  
106 organs engages in a boycott or, in the case of a foreign  
107 educational institution, if any faculty union recognized by that  
108 institution engages in a boycott.

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

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

122 (e)~~(d)~~ "Indirect holdings" in a company means all  
123 securities of that company that are held in a commingled fund or  
124 other collective investment, such as a mutual or index fund, in  
125 which the public fund owns shares or interests, together with

126 other investors not subject to this section ~~or which are held in~~  
 127 ~~an index fund.~~

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

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

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

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

141 (2) IDENTIFICATION OF COMPANIES OR OTHER ENTITIES.-

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

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

151 government entities;

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

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

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

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

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

171 (a) *Engagement.*—

172 1. The public fund shall immediately determine the  
173 companies or other entities on the Scrutinized Companies or  
174 Other Entities that Boycott Israel List in which the public fund  
175 owns direct or indirect holdings. The Department of Management

176 Services shall work with the public fund to determine the  
177 companies or other entities with which the state currently  
178 contracts or has a grant agreement, as detailed under ss.  
179 287.135 and 265.286, respectively.

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

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

201 (b) *Divestment.*—

202 1. If, after 90 days following the public fund's first  
203 engagement with a company or other entity pursuant to paragraph  
204 (a), the company or other entity continues to boycott Israel,  
205 the public fund must sell, redeem, divest, or withdraw all  
206 publicly traded securities of the company or other entity from  
207 the public fund within 12 months after the company's or other  
208 entity's most recent appearance on the Scrutinized Companies or  
209 Other Entities that Boycott Israel List.

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

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

226 Companies or Other Entities that Boycott Israel List, when the  
227 foreign government has authority to actively control or manage  
228 the fund.

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

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

243 2. Exchange-traded funds.

244 (4) REPORTING.—

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

251 public.

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

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

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

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

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

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

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

272 (6) INVESTMENT AND REINVESTMENT IN CERTAIN SCRUTINIZED  
273 COMPANIES OR OTHER ENTITIES.—Notwithstanding any other provision  
274 of this section, the public fund may invest in, cease divestment  
275 from, or reinvest in certain scrutinized companies or other

276 entities if clear and convincing evidence shows that the value  
277 of all assets under management by the public fund becomes equal  
278 to or less than 99.50 percent, or 50 basis points, of the  
279 hypothetical value of all assets under management by the public  
280 fund, assuming no investment prohibition or divestment for any  
281 company or other entity had occurred under subsection (3).  
282 Cessation of the investment prohibition or the divestment, or  
283 reinvestment or any new investment, in a scrutinized company or  
284 other entity is limited to the minimum steps necessary to avoid  
285 the contingency described in this subsection. For any cessation  
286 of the investment prohibition or divestment, or reinvestment or  
287 new investment authorized by this subsection, the public fund  
288 shall provide a written report to each member of the Board of  
289 Trustees of the State Board of Administration, the President of  
290 the Senate, and the Speaker of the House of Representatives in  
291 advance of the cessation of investment prohibition or the  
292 divestment, or reinvestment or new investment, updated  
293 semiannually thereafter as applicable, setting forth the reasons  
294 and justification, supported by clear and convincing evidence,  
295 for its decisions to cease the investment prohibition or  
296 divestment, or to reinvest in scrutinized companies or other  
297 entities.

298 (7) STATE UNIVERSITY SYSTEM COMPLIANCE.—The endowment and  
299 retirement funds of the universities of the State University  
300 System are required to comply with the divestment requirement

301 and prohibition of acquiring securities of companies or other  
302 entities on the Scrutinized Companies or Other Entities that  
303 Boycott Israel List. The endowment and retirement funds of the  
304 universities of the State University System are provided the  
305 same exemptions as provided in paragraph (3)(d).

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

309 265.286 Art and cultural grants.—

310 (6) The division shall adopt rules establishing:

311 (c) The panel review process, including, but not limited  
312 to, criteria for reviewing grant applications to ensure  
313 compliance with applicable federal and state law, including  
314 those related to discrimination and conflicts of interest. For  
315 the purposes of satisfying the nondiscrimination requirements of  
316 this section, each applicant must sign a certification form  
317 attesting to the fact that the applicant is complying with all  
318 relevant antidiscrimination laws, including the anti-boycott  
319 rules of this state pursuant to ss. 215.4725 and 287.135, and  
320 will not engage in antisemitic discrimination as defined in s.  
321 1.015, including refusals to deal based on an individual's or  
322 entity's real or perceived connection to the State of Israel, or  
323 engage in antisemitic speech as defined by s. 1.015, in  
324 conjunction with the program or project for which the grant is  
325 awarded. The division may not award any new grant that will, in

326 whole or in part, inure to the personal benefit of any council  
327 or review panel member during the member's term of office if the  
328 council or panel member participated in the vote of the council  
329 or panel recommending the award. This paragraph does not  
330 prohibit the division from awarding a grant to an entity with  
331 which a council or panel member is associated.

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

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

347 **Section 3. Section 287.135, Florida Statutes, is amended**  
348 **to read:**

349 287.135 Prohibition against contracting with scrutinized  
350 companies or entities.-

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

353 (a) "Awarding body" means, for purposes of state  
 354 contracts, an agency or the department, and for purposes of  
 355 local contracts, ~~the governing body of~~ the local governmental  
 356 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  
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  
383 Sudan 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  
397 a 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:

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.

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.

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  
470 operations 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  
486 it 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  
491 publicized, and is implementing a formal plan to cease  
492 scrutinized business operations and to refrain from engaging in  
493 any new scrutinized business operations.

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  
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.

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  
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  
598 applicable to companies on the Scrutinized Companies with  
599 Activities in Sudan List or the Scrutinized Companies with  
600 Activities in Iran Terrorism Sectors List or to companies

601 engaged in business operations in Cuba or Syria become  
602 inoperative on the date that federal law ceases to authorize the  
603 states to adopt and enforce such contracting prohibitions.

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