

By Senator Leek

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1                                   A bill to be entitled  
2           An act relating to entities that boycott Israel;  
3           amending s. 215.4725, F.S.; defining terms; revising  
4           definitions; requiring the public fund to make its  
5           best efforts to identify certain institutions,  
6           organizations, agencies, governments, and other  
7           entities in which the public fund has direct or  
8           indirect holdings; requiring the public fund to  
9           compile and make available the Scrutinized Companies  
10          or Other Entities that Boycott Israel List; requiring  
11          the public fund to quarterly update and make publicly  
12          available such list; revising the procedures the  
13          public fund must follow for assembling companies or  
14          other entities on such list; requiring the 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; revising the maximum percentage of the  
23          hypothetical value of all assets under management by  
24          the public fund which may be invested in scrutinized  
25          companies or other entities under certain  
26          circumstances; amending s. 265.286, F.S.; requiring  
27          applicants to sign a certification form attesting they  
28          comply with specified antidiscrimination laws and do  
29          not engage in antisemitic discrimination;

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

55  
56 Be It Enacted by the Legislature of the State of Florida:

57  
58 Section 1. Section 215.4725, Florida Statutes, is amended

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59 to read:

60 215.4725 Prohibited investments by the State Board of  
61 Administration; companies that boycott Israel.—

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

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

67 (b) “Boycott Israel” or “boycott of Israel” means refusing  
68 to deal, terminating business activities, or taking other  
69 actions to limit commercial relations with Israel, or persons or  
70 entities doing business in Israel or in Israeli-controlled  
71 territories, in a discriminatory manner. A statement by a United  
72 States or foreign company, an educational institution, a  
73 nonprofit organization, an agency, a local governmental entity  
74 or unit thereof, or a foreign government that it is  
75 participating in a boycott of Israel, or that it has initiated a  
76 boycott in response to a request for a boycott of Israel or in  
77 compliance with, or in furtherance of, calls for a boycott of  
78 Israel, may be considered by the State Board of Administration  
79 to be evidence that the United States or foreign a company or  
80 other entity is participating in a boycott of Israel. The term  
81 includes taking adverse action, including changes to published  
82 commercial financial ratings, risk ratings, and controversy  
83 ratings based on nonpecuniary factors, to inflict economic harm  
84 on Israel or persons or entities doing business in Israel or in  
85 Israeli-controlled territories. The term includes trade  
86 practices that are prohibited by federal regulations issued in  
87 compliance with 50 U.S.C. s. 4842 and does not include trade

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88 practices that are preempted by federal law. The term also  
89 includes an academic boycott of Israel in which an educational  
90 institution enacts or implements restrictive policies, or  
91 otherwise participates in activities having the object or effect  
92 of restricting ongoing or potential academic relationships, on  
93 the basis of ties to the State of Israel or its academic,  
94 educational, or research institutions, or by holding  
95 researchers, students, prospective students, guest lecturers,  
96 and artists-in-residence or institutions collectively liable for  
97 any alleged objectionable conduct by the State of Israel. An  
98 educational institution is deemed to have engaged in an academic  
99 boycott of Israel if any of its departments, centers, or other  
100 organs engages in a boycott, or, in the case of a foreign  
101 educational institution, if any faculty union recognized by that  
102 institution engages in a boycott.

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

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

115 (e)-(d) "Indirect holdings" in a company means all  
116 securities of that company that are held in a commingled fund or

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117 other collective investment, such as a mutual or index fund, in  
118 which the public fund owns shares or interests, together with  
119 other investors not subject to this section ~~or which are held in~~  
120 ~~an index fund.~~

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

123 (g) "Other entity" means a United States or foreign  
124 educational institution, nonprofit organization, agency, a local  
125 governmental entity or unit thereof, or a foreign government,  
126 including any of its public investment funds, public pension  
127 funds, sovereign wealth funds, or other government-sponsored  
128 investment funds.

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

134 (i)~~(f)~~ "Scrutinized companies or other entities" means  
135 United States or foreign companies, educational institutions,  
136 nonprofit organizations, and local governmental entities that  
137 boycott Israel or engage in a boycott of Israel.

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

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

143 1. To the extent that the public fund finds it appropriate,  
144 reviewing and relying on publicly available information  
145 regarding companies or other entities that boycott Israel,

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146 including information provided by nonprofit organizations,  
147 research firms, international organizations, and government  
148 entities;

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

152 3. Contacting other institutional investors that prohibit  
153 such investments or that have engaged with companies or other  
154 entities that boycott Israel.

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

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

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

168 (a) *Engagement.*—

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

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175           2. For each company or other entity newly identified under  
176 this paragraph, the public fund shall send a written notice  
177 informing the company or other entity of its scrutinized ~~company~~  
178 status and that it may become subject to investment prohibition  
179 or divestment by the public fund or may become barred from  
180 future contracts or grants awarded by the state. The notice must  
181 inform the company or other entity of the opportunity to clarify  
182 its activities regarding the boycott of Israel and encourage the  
183 company or other entity to cease the boycott of Israel within 90  
184 days in order to avoid qualifying for investment prohibition or  
185 divestment.

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

194           (b) *Divestment.*—

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

203           2. If a company or other entity that ceased a boycott of

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

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

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

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



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233 2. Exchange-traded funds.

234 (4) REPORTING.—

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

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

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

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

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

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

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

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

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

288 Section 2. Paragraph (c) of subsection (6) of section  
289 265.286, Florida Statutes, is amended, and paragraphs (d) and  
290 (e) are added to that subsection, to read:

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291 265.286 Art and cultural grants.—

292 (6) The division shall adopt rules establishing:

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

313 (d) Grant applicants found to be engaging in any boycott  
314 action or antisemitic discrimination shall be disqualified from  
315 grant eligibility until 10 years after any such action has  
316 ceased. Grant recipients found to have engaged in a boycott of  
317 Israel or antisemitic discrimination during the duration of the  
318 project or program for which their grant was awarded shall be  
319 subject to a penalty payable to the State Treasury of three

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320 times the amount of the grant received for which the false  
321 certification was submitted.

322 (e) If the Attorney General fails to pursue a cause of  
323 action within 90 days after a violation of paragraph (c),  
324 individuals have the right to file a written complaint to the  
325 Attorney General, who in turn will be required to provide a  
326 written response within 30 days after receipt of the complaint.

327 Section 3. Section 287.135, Florida Statutes, is amended to  
328 read:

329 287.135 Prohibition against contracting with scrutinized  
330 companies or entities.-

331 (1) In addition to the terms defined in ss. 287.012 and  
332 215.473, as used in this section, the term:

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

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

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

345 (d) "Local governmental entity" means a county,  
346 municipality, special district, or other political subdivision  
347 of the state.

348 (2) A company or other entity is ineligible to, and may

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349 not, bid on, submit a proposal for, or enter into or renew a  
 350 contract with an agency or local governmental entity for goods  
 351 or services of:

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

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

367 (c) One million dollars or more if, at the time of bidding  
 368 on, submitting a proposal for, or entering into or renewing such  
 369 contract, the company or other entity:

370 1. Is on the Scrutinized Companies with Activities in Sudan  
 371 List or the Scrutinized Companies with Activities in Iran  
 372 Terrorism Sectors List, created pursuant to s. 215.473; or

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

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

377 1. July 1, 2011, through June 30, 2012, must contain a

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378 provision that allows for the termination of such contract at  
379 the option of the awarding body if the company is found to have  
380 submitted a false certification as provided under subsection (5)  
381 or been placed on the Scrutinized Companies with Activities in  
382 Sudan List or the Scrutinized Companies with Activities in the  
383 Iran Petroleum Energy Sector List.

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

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

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

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

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

403 d. Has been engaged in business operations in Cuba or  
404 Syria.

405 4. July 1, 2018, must contain a provision that allows for  
406 the termination of such contract at the option of the awarding

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407 body if the company or other entity is found to have submitted a  
408 false certification as provided under subsection (5), been  
409 placed on the Scrutinized Companies with Activities in Sudan  
410 List, or been engaged in business operations in Cuba or Syria.

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

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

424 (4) Notwithstanding subsection (2) or subsection (3), an  
425 agency or local governmental entity, on a case-by-case basis,  
426 may allow a company on the Scrutinized Companies with Activities  
427 in Sudan List, the Scrutinized Companies with Activities in the  
428 Iran Petroleum Energy Sector List, or the Scrutinized Companies  
429 with Activities in Iran Terrorism Sectors List, or a company  
430 engaged in business operations in Cuba or Syria, to be eligible  
431 for, bid on, submit a proposal for, or enter into or renew a  
432 contract for goods or services of \$1 million or more, or may  
433 allow a company or other entity on the Scrutinized Companies or  
434 Other Entities that Boycott Israel List to be eligible for, bid  
435 on, submit a proposal for, or enter into or renew a contract for

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436 goods or services of any amount, under the conditions set forth  
437 in paragraph (a) or the conditions set forth in paragraph (b):

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

441 a. The scrutinized business operations were made before  
442 July 1, 2011.

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

445 c. The agency or local governmental entity determines that  
446 it is in the best interest of the state or local community to  
447 contract with the company.

448 d. The company has adopted, has publicized, and is  
449 implementing a formal plan to cease scrutinized business  
450 operations and to refrain from engaging in any new scrutinized  
451 business operations.

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

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

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

457 c. The agency or local governmental entity determines that  
458 it is in the best interest of the state or local community to  
459 contract with the company.

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

463 3. With respect to a company or other entity on the  
464 Scrutinized Companies or Other Entities that Boycott Israel



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465 List, all of the following occur:

466 a. The boycott of Israel was initiated before October 1,  
467 2016.

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

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

473 d. The company or other entity has adopted, has publicized,  
474 and is implementing a formal plan to cease scrutinized business  
475 operations and to refrain from engaging in any new scrutinized  
476 business operations.

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

480 a. The scrutinized business operations were made before  
481 July 1, 2011.

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

484 c. The agency or local governmental entity determines that  
485 it is in the best interest of the state or local community to  
486 contract with the company.

487 d. The company has adopted, has publicized, and is  
488 implementing a formal plan to cease scrutinized business  
489 operations and to refrain from engaging in any new scrutinized  
490 business operations.

491 5. With respect to a company on the Scrutinized Companies  
492 with Activities in Iran Terrorism Sectors List other than those  
493 companies included on the Scrutinized Companies with Activities

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494 in the Iran Petroleum Energy Sector List as of November 6, 2023,  
495 all of the following occur:

496 a. The scrutinized business operations were made before  
497 January 10, 2024.

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

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

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

507 (b) One of the following occurs:

508 1. The local governmental entity makes a public finding  
509 that, absent such an exemption, the local governmental entity  
510 would be unable to obtain the goods or services for which the  
511 contract is offered.

512 2. For a contract with an executive agency, the Governor  
513 makes a public finding that, absent such an exemption, the  
514 agency would be unable to obtain the goods or services for which  
515 the contract is offered.

516 3. For a contract with an office of a state constitutional  
517 officer other than the Governor, the state constitutional  
518 officer makes a public finding that, absent such an exemption,  
519 the office would be unable to obtain the goods or services for  
520 which the contract is offered.

521 (5) At the time a company submits a bid or proposal for a  
522 contract or before the company enters into or renews a contract

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523 with an agency or local governmental entity for goods or  
524 services of \$1 million or more, the company must certify that  
525 the company is not on the Scrutinized Companies with Activities  
526 in Sudan List or the Scrutinized Companies with Activities in  
527 Iran Terrorism Sectors List and that it does not have business  
528 operations in Cuba or Syria. At the time a company or other  
529 entity submits a bid or proposal for a contract or before the  
530 company or other entity enters into or renews a contract with an  
531 agency or local governmental entity for goods or services of any  
532 amount, the company or other entity must certify that the  
533 company or other entity is not participating in a boycott of  
534 Israel.

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

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

555 2. The company or other entity is ineligible to bid on any  
556 contract with an agency or local governmental entity for 3 years  
557 after the date the agency or local governmental entity  
558 determined that the company or other entity submitted a false  
559 certification.

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

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

571 (7) This section preempts any ordinance or rule of any  
572 agency or local governmental entity involving public contracts  
573 for goods or services of:

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

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

579 (8) The contracting prohibitions in this section applicable  
580 to companies on the Scrutinized Companies with Activities in

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581 Sudan List or the Scrutinized Companies with Activities in Iran  
582 Terrorism Sectors List or to companies engaged in business  
583 operations in Cuba or Syria become inoperative on the date that  
584 federal law ceases to authorize the states to adopt and enforce  
585 such contracting prohibitions.

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