

**By** the Committee on Governmental Oversight and Accountability;  
and Senators Leek, Martin, and Ingoglia

585-02567-25

20251678c1

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 comply with specified antidiscrimination laws and  
25          will not engage in antisemitic discrimination or  
26          antisemitic speech in conjunction with the program or  
27          project for which their grant is awarded;  
28          disqualifying for a specified timeframe grant  
29          applicants that engage in boycotts, antisemitic

585-02567-25

20251678c1

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:

585-02567-25

20251678c1

59  
60  
61  
62  
63  
64  
65  
66  
67  
68  
69  
70  
71  
72  
73  
74  
75  
76  
77  
78  
79  
80  
81  
82  
83  
84  
85  
86  
87

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

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

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

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

(b) “Boycott Israel” or “boycott of Israel” means refusing to deal, terminating business activities, or taking other actions to limit commercial relations with Israel, or persons or entities doing business in Israel or in Israeli-controlled territories, in a discriminatory manner. A statement by a company, an educational institution, a nonprofit organization, an agency, a local governmental entity or unit thereof, or a foreign government that it is participating in a boycott of Israel, or that it has initiated a boycott in response to a request for a boycott of Israel or in compliance with, or in furtherance of, calls for a boycott of Israel, may be considered by the State Board of Administration to be evidence that a company or other entity is participating in a boycott of Israel. The term includes taking adverse action, including changes to published commercial financial ratings, risk ratings, and controversy ratings based on nonpecuniary factors, to inflict economic harm on Israel or persons or entities doing business in Israel or in Israeli-controlled territories. The term includes trade practices that are prohibited by federal regulations

585-02567-25

20251678c1

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

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

116 (e) ~~(d)~~ "Indirect holdings" in a company means all

585-02567-25

20251678c1

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

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

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

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

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

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

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

585-02567-25

20251678c1

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

149           3. Contacting other institutional investors that prohibit  
150 such investments or that have engaged with companies or other  
151 entities that boycott Israel.

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

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

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

165           (a) *Engagement.*—

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

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

585-02567-25

20251678c1

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

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

191 (b) *Divestment.*—

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

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

585-02567-25

20251678c1

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

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

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.



585-02567-25

20251678c1

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.

585-02567-25

20251678c1

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

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

585-02567-25

20251678c1

291 and prohibition of acquiring securities of companies or other  
292 entities on the Scrutinized Companies or Other Entities that  
293 Boycott Israel List. The endowment and retirement funds of the  
294 universities of the State University System are provided the  
295 same exemption as provided in paragraph (3) (d).

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

299 265.286 Art and cultural grants.—

300 (6) The division shall adopt rules establishing:

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

585-02567-25

20251678c1

320 division from awarding a grant to an entity with which a council  
321 or panel member is associated.

322 (d) A grant applicant found to be engaging in any boycott  
323 action, antisemitic discrimination, or antisemitic speech in  
324 conjunction with the program or project for which the grant is  
325 awarded shall be disqualified from grant eligibility until 10  
326 years after any such action has ceased. A grant recipient found  
327 to have engaged in a boycott of Israel or antisemitic  
328 discrimination during the duration of the project or program for  
329 which its grant was awarded shall be subject to a penalty  
330 payable to the State Treasury of three times the amount of the  
331 grant received for which the false certification was submitted.

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

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

339 287.135 Prohibition against contracting with scrutinized  
340 companies or entities.-

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

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

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

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

585-02567-25

20251678c1

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

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

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

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

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

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

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

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

585-02567-25

20251678c1

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

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

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

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

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

585-02567-25

20251678c1

407 body if the company is found to have submitted a false  
408 certification as provided under subsection (5), been placed on  
409 the Scrutinized Companies with Activities in Sudan List, or been  
410 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 is found to have submitted a false  
414 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:

420 1. July 1, 2018, must contain a provision that allows for  
421 the termination of such contract at the option of the awarding  
422 body if the company is found to have been placed on the  
423 Scrutinized Companies that Boycott Israel List or is engaged in  
424 a boycott of Israel.

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

430 (4) Notwithstanding subsection (2) or subsection (3), an  
431 agency or local governmental entity, on a case-by-case basis,  
432 may allow a company on the Scrutinized Companies with Activities  
433 in Sudan List, the Scrutinized Companies with Activities in the  
434 Iran Petroleum Energy Sector List, or the Scrutinized Companies  
435 with Activities in Iran Terrorism Sectors List, or a company

585-02567-25

20251678c1

436 engaged in business operations in Cuba or Syria, to be eligible  
437 for, bid on, submit a proposal for, or enter into or renew a  
438 contract for goods or services of \$1 million or more, or may  
439 allow a company or other entity on the Scrutinized Companies or  
440 Other Entities that Boycott Israel List to be eligible for, bid  
441 on, submit a proposal for, or enter into or renew a contract for  
442 goods or services of any amount, under the conditions set forth  
443 in paragraph (a) or the conditions set forth in paragraph (b):

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

447 a. The scrutinized business operations were made before  
448 July 1, 2011.

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

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

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

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

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

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

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



585-02567-25

20251678c1

465 contract with the company.

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

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

472 a. The boycott of Israel was initiated before October 1,  
473 2016.

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

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

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

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

486 a. The scrutinized business operations were made before  
487 July 1, 2011.

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

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

493 d. The company has adopted, has publicized, and is

585-02567-25

20251678c1

494 implementing a formal plan to cease scrutinized business  
495 operations and to refrain from engaging in any new scrutinized  
496 business operations.

497 5. With respect to a company on the Scrutinized Companies  
498 with Activities in Iran Terrorism Sectors List other than those  
499 companies included on the Scrutinized Companies with Activities  
500 in the Iran Petroleum Energy Sector List as of November 6, 2023,  
501 all of the following occur:

502 a. The scrutinized business operations were made before  
503 January 10, 2024.

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

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

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

513 (b) One of the following occurs:

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

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

522 3. For a contract with an office of a state constitutional

585-02567-25

20251678c1

523 officer other than the Governor, the state constitutional  
524 officer makes a public finding that, absent such an exemption,  
525 the office would be unable to obtain the goods or services for  
526 which the contract is offered.

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

541 (a) If, after the agency or the local governmental entity  
542 determines, using credible information available to the public,  
543 that the company or other entity has submitted a false  
544 certification, the agency or local governmental entity shall  
545 provide the company or other entity with written notice of its  
546 determination. The company or other entity shall have 90 days  
547 following receipt of the notice to respond in writing and to  
548 demonstrate that the determination of false certification was  
549 made in error. If the company or other entity does not make such  
550 demonstration within 90 days after receipt of the notice, the  
551 agency or the local governmental entity shall bring a civil

585-02567-25

20251678c1

552 action against the company or other entity. If a civil action is  
553 brought and the court determines that the company or other  
554 entity submitted a false certification, the company or other  
555 entity shall pay the penalty described in subparagraph 1. and  
556 all reasonable attorney fees and costs, including any costs for  
557 investigations that led to the finding of false certification.

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

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

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

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

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

580 (a) One million dollars or more with a company or other

585-02567-25

20251678c1

581 entity engaged in scrutinized business operations.

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

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

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