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I N   A S S E M B L Y

January 19, 2016

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Introduced by M. of A. WEINSTEIN -- read once and referred to the  
Committee on Governmental Operations

AN ACT to amend the state finance law and the retirement and social  
security law, in relation to purchasing restrictions

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEM-  
BLY, DO ENACT AS FOLLOWS:

1     Section 1. The state finance law is amended by adding a new section  
2     165-b to read as follows:  
3     S 165-B. PURCHASING RESTRICTIONS; PERSONS BOYCOTTING CERTAIN AMERICAN  
4     ALLIES. 1. AS USED IN THIS SECTION, THE FOLLOWING DEFINITIONS SHALL  
5     APPLY:  
6        (A) "ALLIED NATION" SHALL MEAN:  
7        (I) ANY COUNTRY THAT IS A MEMBER OF THE NORTH ATLANTIC TREATY ORGAN-  
8     IZATION;  
9        (II) ANY COUNTRY THAT IS A SIGNATORY OF THE SOUTHEAST ASIA TREATY OF  
10    1954;  
11        (III) ANY COUNTRY, OTHER THAN VENEZUELA, THAT IS A SIGNATORY OF THE  
12    RIO TREATY OF 1947;  
13        (IV) IRELAND;  
14        (V) ISRAEL;  
15        (VI) JAPAN; AND/OR  
16        (VII) THE REPUBLIC OF KOREA.  
17    (B) "BOYCOTT" SHALL MEAN TO ENGAGE IN ANY ACTIVITY, OR TO PROMOTE OR  
18    ENCOURAGE OTHERS TO ENGAGE IN ANY ACTIVITY, THAT WILL RESULT IN ANY  
19    PERSON ABSTAINING FROM COMMERCIAL, SOCIAL OR POLITICAL RELATIONS, WITH  
20    ANY ALLIED NATION, OR COMPANIES BASED IN AN ALLIED NATION OR IN TERRITO-  
21    RIES CONTROLLED BY AN ALLIED NATION, WITH THE INTENT TO PENALIZE,  
22    INFLECT, OR CAUSE HARM TO, OR OTHERWISE PROMOTE OR CAST DISREPUTE UPON,  
23    SUCH ALLIED NATION, ITS PEOPLE OR ITS COMMERCIAL PRODUCTS.  
24    (C) "PERSON" SHALL MEAN ANY NATURAL PERSON, CORPORATION, LIMITED  
25    LIABILITY COMPANY, UNINCORPORATED ASSOCIATION OR ANY OTHER NONGOVERN-  
26    MENTAL ENTITY, ORGANIZATION, OR GROUP, OR ANY SUCCESSOR, SUBUNIT,  
27    PARENT, OR SUBSIDIARY OF THE SAME.

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets  
[ ] is old law to be omitted.

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1 2. (A) ANY PERSON THAT IS IDENTIFIED ON A LIST CREATED PURSUANT TO  
2 PARAGRAPH (B) OF THIS SUBDIVISION AS A PERSON THAT BOYCOTTS, AS DEFINED  
3 IN PARAGRAPH (B) OF SUBDIVISION ONE OF THIS SECTION, ANY ALLIED NATION,  
4 AS DEFINED IN PARAGRAPH (A) OF SUBDIVISION ONE OF THIS SECTION, SHALL  
5 NOT BE DEEMED A RESPONSIVE BIDDER OR OFFERER, PURSUANT TO SECTION ONE  
6 HUNDRED SIXTY-THREE OF THIS ARTICLE.

7 (B) NOT LATER THAN NINETY DAYS AFTER THE EFFECTIVE DATE OF THIS  
8 SECTION, AND THEN ANNUALLY THEREAFTER, THE COMMISSIONER SHALL DEVELOP  
9 AND PUBLISH, USING CREDIBLE INFORMATION AVAILABLE TO THE PUBLIC, A LIST  
10 OF PERSONS DETERMINED BY THE COMMISSIONER, THAT HAVE ENGAGED IN THE  
11 BOYCOTTING OF ANY ALLIED NATION. THE COMMISSIONER SHALL NOT INCLUDE ANY  
12 PERSON ON THE LIST REQUIRED TO BE SO DEVELOPED AND PUBLISHED IF THE  
13 COMMISSIONER DETERMINES THAT SUCH PERSON ENGAGING IN BOYCOTTING AN  
14 ALLIED NATION, ENGAGED IN SUCH BOYCOTTING IN ORDER TO COMPLY WITH A  
15 PROVISION OF LAW OF AN ALLIED NATION IN WHICH SUCH PERSON RESIDES OR  
16 CONDUCTS BUSINESS OPERATIONS. SUCH LIST, WHEN DEVELOPED AND PUBLISHED,  
17 SHALL BE POSTED ON THE WEBSITE OF THE OFFICE OF GENERAL SERVICES.

18 (C) IN THE EVENT A PERSON INCLUDED BY THE COMMISSIONER ON THE LIST TO  
19 BE DEVELOPED AND PUBLISHED IN ACCORDANCE WITH PARAGRAPH (B) OF THIS  
20 SUBDIVISION, DEMONSTRATES TO THE COMMISSIONER THAT SUCH PERSON HAS  
21 PERMANENTLY CEASED THEIR BOYCOTTING OF ANY ALLIED NATION, OR OBTAINS A  
22 COURT ORDER FROM A SUPREME COURT THAT SUCH PERSON SHALL BE REMOVED FROM  
23 SUCH LIST DUE TO THE COURT'S DETERMINATION THAT SUCH PERSON HAS PERMA-  
24 NENTLY CEASED THEIR BOYCOTTING OF ANY ALLIED NATION, THEN THE COMMIS-  
25 SIONER SHALL REMOVE SUCH PERSON FROM SUCH LIST SO DEVELOPED AND  
26 PUBLISHED IN ACCORDANCE WITH PARAGRAPH (B) OF THIS SUBDIVISION.

27 (D) PRIOR TO THE FINAL DEVELOPMENT AND PUBLICATION OF THE LIST  
28 REQUIRED TO BE PRODUCED PURSUANT TO PARAGRAPH (B) OF THIS SUBDIVISION,  
29 THE COMMISSIONER SHALL PROVIDE WRITTEN NOTICE OF ALL PERSONS TO BE  
30 INCLUDED ON THE LIST, OF THE COMMISSIONER'S INTENT TO SO INCLUDE SUCH  
31 PERSON ON SUCH LIST, TOGETHER WITH WRITTEN NOTICE INFORMING SUCH PERSON  
32 THAT INCLUSION ON SUCH LIST WOULD MAKE SUCH PERSON A NON-RESPONSIVE  
33 BIDDER OR OFFERER, AND THAT SUCH PERSON MAY APPLY TO THE COMMISSIONER,  
34 OR TO A SUPREME COURT, TO BE REMOVED FROM SUCH LIST PURSUANT TO THE  
35 REQUIREMENTS OF PARAGRAPH (C) OF THIS SUBDIVISION.

36 (E) NOTWITHSTANDING PARAGRAPH (A) OF THIS SUBDIVISION, A STATE AGENCY  
37 MAY PERMIT A PERSON PROMOTING OR OTHERWISE TAKING ACTION TO BOYCOTT ANY  
38 ALLIED NATION TO BE DEEMED A RESPONSIVE BIDDER OR OFFERER, ON A  
39 CASE-BY-CASE BASIS WITH A STATE AGENCY IF:

40 (I) THE PROMOTION OR OTHER BOYCOTT ACTION OCCURRED PRIOR TO THE EFFEC-  
41 TIVE DATE OF THIS SECTION, SUCH ACTIVITIES HAVE NOT BEEN EXPANDED OR  
42 RENEWED AFTER THE EFFECTIVE DATE OF THIS SECTION, AND THE PERSON HAS  
43 ADOPTED, PUBLICIZED, AND IS IMPLEMENTING A FORMAL PLAN TO CEASE ALL  
44 BOYCOTTING OF ANY ALLIED NATION AND TO REFRAIN FROM ENGAGING IN ANY NEW  
45 BOYCOTT OF ANY ALLIED NATION; OR

46 (II) THE STATE AGENCY MAKES A FORMAL, WRITTEN DETERMINATION THAT THE  
47 COMMODITIES OR SERVICES OFFERED BY THE PERSON NAMED ON THIS LIST  
48 PRODUCED BY THE COMMISSIONER PURSUANT TO PARAGRAPH (B) OF THIS SUBDIVI-  
49 SION, ARE NECESSARY FOR THE STATE AGENCY TO PERFORM ITS FUNCTIONS AND  
50 THAT, ABSENT SUCH AN EXEMPTION, THE STATE AGENCY WOULD BE UNABLE TO  
51 OBTAIN THE COMMODITIES OR SERVICES FOR WHICH THE CONTRACT IS OFFERED.

52 3. (A) A STATE AGENCY SHALL REQUIRE ALL PERSONS THAT SUBMIT A BID OR  
53 OFFER IN RESPONSE TO A NOTICE OF PROCUREMENT, OR THAT PROPOSE TO RENEW  
54 AN EXISTING PROCUREMENT CONTRACT, OR THAT PROPOSE TO ASSUME THE RESPON-  
55 SIBILITY OF A CONTRACTOR PURSUANT TO A PROCUREMENT CONTRACT, OR OTHER-  
56 WISE PROPOSE TO ENTER INTO A CONTRACT WITH A STATE AGENCY WITH RESPECT

TO A CONTRACT FOR COMMODITIES, SERVICES, CONSTRUCTION, OR CONTRACTS ENTERED INTO PURSUANT TO SECTION EIGHT OF THE PUBLIC BUILDINGS LAW OR SECTION THIRTY-EIGHT OF THE HIGHWAY LAW, TO CERTIFY, AT THE TIME THE BID IS SUBMITTED, OR THE CONTRACT IS RENEWED OR ASSIGNED, THAT THE PERSON OR THE ASSIGNEE IS NOT IDENTIFIED ON THE LIST DEVELOPED AND PUBLISHED PURSUANT TO PARAGRAPH (B) OF SUBDIVISION TWO OF THIS SECTION, AND ALL STATE AGENCIES SHALL INCLUDE SUCH CERTIFICATION INFORMATION IN THE PROCUREMENT RECORD.

(B) ALL PERSONS THAT SUBMIT A BID OR OFFER IN RESPONSE TO A NOTICE OF PROCUREMENT, OR THAT PROPOSE TO RENEW AN EXISTING PROCUREMENT CONTRACT WITH A STATE AGENCY, OR THAT PROPOSE TO ASSUME THE RESPONSIBILITY OF A CONTRACTOR PURSUANT TO A PROCUREMENT CONTRACT WITH A STATE AGENCY, OR OTHERWISE PROPOSE TO ENTER INTO A CONTRACT WITH A STATE AGENCY WITH RESPECT TO A CONTRACT FOR COMMODITIES, SERVICES, CONSTRUCTION, OR CONTRACTS ENTERED INTO PURSUANT TO SECTION EIGHT OF THE PUBLIC BUILDINGS LAW OR SECTION THIRTY-EIGHT OF THE HIGHWAY LAW, SHALL CERTIFY THAT THEY HAVE NOT BOYCOTTED ANY ALLIED NATIONS, AND THAT THEY ARE NOT IDENTIFIED ON THE LIST DEVELOPED AND PUBLISHED PURSUANT TO PARAGRAPH (B) OF SUBDIVISION TWO OF THIS SECTION.

4. UPON RECEIVING INFORMATION THAT A PERSON WHO HAS MADE THE CERTIFICATION REQUIRED BY SUBDIVISION THREE OF THIS SECTION, IS, IN FACT, IN VIOLATION OF SUCH CERTIFICATION, THE STATE AGENCY SHALL REVIEW SUCH INFORMATION, NOTIFY SUCH PERSON AND OFFER THEM AN OPPORTUNITY TO RESPOND TO SUCH INFORMATION, WITHIN THIRTY DAYS OF SUCH NOTICE, AND IF SUCH PERSON FAILS TO DEMONSTRATE THAT THEY HAVE CEASED ANY BOYCOTT OF ANY ALLIED NATION, THEN, THE STATE AGENCY SHALL TAKE SUCH ACTION AS MAY BE APPROPRIATE AND PROVIDED FOR BY LAW, RULE OR CONTRACT, INCLUDING, BUT NOT LIMITED TO, NOTIFYING THE COMMISSIONER OF SUCH PERSON'S BOYCOTT OR BOYCOTTS OF ANY AND ALL ALLIED NATIONS, IMPOSING SANCTIONS, SEEKING COMPLIANCE, RECOVERING DAMAGES, AND/OR DECLARING SUCH PERSON IN DEFAULT.

5. ON OR BEFORE DECEMBER FIFTEENTH, TWO THOUSAND SIXTEEN, AND EVERY YEAR THEREAFTER, THE COMMISSIONER SHALL ISSUE A REPORT TO THE GOVERNOR, THE COMPTROLLER, THE TEMPORARY PRESIDENT OF THE SENATE, AND THE SPEAKER OF THE ASSEMBLY, ON ALL THE ACTIONS TAKEN, AND ALL DETERMINATIONS MADE, BY THE COMMISSIONER PURSUANT TO THIS SECTION, AND ANY AND ALL RULES OR REGULATIONS ADOPTED.

S 2. The retirement and social security law is amended by adding a new section 423-d to read as follows:

S 423-D. PROHIBITION ON INVESTMENT OF CERTAIN PUBLIC FUNDS IN PERSONS BOYCOTTING CERTAIN AMERICAN ALLIES. 1. AS USED IN THIS SECTION, THE FOLLOWING DEFINITIONS SHALL APPLY:

(A) "ALLIED NATION" SHALL MEAN:

(I) ANY COUNTRY THAT IS A MEMBER OF THE NORTH ATLANTIC TREATY ORGANIZATION;

(II) ANY COUNTRY THAT IS A SIGNATORY OF THE SOUTHEAST ASIA TREATY;

(III) ANY COUNTRY, OTHER THAN VENEZUELA, THAT IS A SIGNATORY OF THE RIO TREATY;

(IV) IRELAND;

(V) ISRAEL;

(VI) JAPAN; AND/OR

(VII) THE REPUBLIC OF KOREA.

(B) "BOYCOTT" SHALL MEAN TO ENGAGE IN ANY ACTIVITY, OR TO PROMOTE OR ENCOURAGE OTHERS TO ENGAGE IN ANY ACTIVITY, THAT WILL RESULT IN ANY PERSON ABSTAINING FROM COMMERCIAL, SOCIAL OR POLITICAL RELATIONS, WITH ANY ALLIED NATION, OR COMPANIES BASED IN AN ALLIED NATION OR IN TERRITORIES CONTROLLED BY AN ALLIED NATION, WITH THE INTENT TO PENALIZE,

1 INFLICT, OR CAUSE HARM TO, OR OTHERWISE PROMOTE OR CAST DISREPUTE UPON,  
2 SUCH ALLIED NATION, ITS PEOPLE OR ITS COMMERCIAL PRODUCTS.

3 (C) "PERSON" SHALL MEAN ANY NATURAL PERSON, CORPORATION, LIMITED  
4 LIABILITY COMPANY, UNINCORPORATED ASSOCIATION OR ANY OTHER NONGOVERN-  
5 MENTAL ENTITY, ORGANIZATION, OR GROUP, OR ANY SUCCESSOR, SUBUNIT,  
6 PARENT, OR SUBSIDIARY OF THE SAME.

7 2. (A) ANY PERSON THAT IS IDENTIFIED ON THE LIST CREATED PURSUANT TO  
8 PARAGRAPH (B) OF SUBDIVISION TWO OF SECTION ONE HUNDRED SIXTY-FIVE-B OF  
9 THE STATE FINANCE LAW, AS BEING A PERSON THAT HAS ENGAGED IN A BOYCOTT  
10 OF ANY ALLIED NATION, SHALL NOT BE ELIGIBLE TO RECEIVE INVESTMENT OF ANY  
11 MONEYS OR ASSETS OF THE COMMON RETIREMENT FUND IN ANY STOCKS, SECURITIES  
12 OR OTHER OBLIGATIONS OF SUCH PERSON SO IDENTIFIED ON SUCH LIST DEVELOPED  
13 AND PUBLISHED BY THE COMMISSIONER OF GENERAL SERVICES.

14 (B) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, NO ASSETS OF  
15 ANY PENSION OR ANNUITY FUND UNDER THE JURISDICTION OF THE COMPTROLLER,  
16 SHALL FURTHER BE INVESTED IN ANY BANK OR FINANCIAL INSTITUTION WHICH  
17 DIRECTLY, OR THROUGH A PARENT OR SUBSIDIARY BOYCOTTS AN ALLIED NATION  
18 AND NO SUCH ASSETS SHALL OTHERWISE BE INVESTED IN THE STOCKS, SECURITIES  
19 OR OTHER OBLIGATIONS OF ANY PERSON WHICH DIRECTLY, OR THROUGH A PARENT  
20 OR SUBSIDIARY ENTITY, BOYCOTTS ANY ALLIED NATION.

21 3. THE COMPTROLLER SHALL TAKE APPROPRIATE ACTION TO SELL, REDEEM,  
22 DIVEST OR WITHDRAW ANY INVESTMENT HELD IN VIOLATION OF THE PROVISIONS OF  
23 THIS SECTION. THIS SECTION SHALL NOT BE CONSTRUED TO REQUIRE THE PREMA-  
24 TURE OR OTHERWISE IMPRUDENT SALE, REDEMPTION, DIVESTMENT OR WITHDRAWAL  
25 OF AN INVESTMENT, BUT SUCH SALE, DIVESTMENT OR WITHDRAWAL SHALL BE  
26 COMPLETED NO LATER THAN FIVE YEARS FOLLOWING THE EFFECTIVE DATE OF THIS  
27 SECTION.

28 4. ON OR BEFORE DECEMBER FIFTEENTH, TWO THOUSAND SIXTEEN, AND EVERY  
29 YEAR THEREAFTER, THE COMPTROLLER SHALL ISSUE A REPORT TO THE GOVERNOR,  
30 THE COMMISSIONER OF GENERAL SERVICES, THE TEMPORARY PRESIDENT OF THE  
31 SENATE, AND THE SPEAKER OF THE ASSEMBLY, ON ALL THE ACTIONS TAKEN, AND  
32 ALL DETERMINATIONS MADE, BY THE COMPTROLLER, PURSUANT TO THIS SECTION,  
33 AND ANY AND ALL RULES OR REGULATIONS ADOPTED.

34 S 3. This act shall take effect immediately.