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IN ASSEMBLY

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Introduced by M. of A. LAVINE, PAULIN, THIELE, WEPRIN, OTIS, ROZIC, STERN, BICHOTTE HERMELYN, BRAUNSTEIN, DINOWITZ, HEVESI, HAWLEY, FITZPATRICK, FRIEND -- Multi-Sponsored by -- M. of A. McDONOUGH -- read once and referred to the Committee on Governmental Operations

AN ACT to amend the state finance law, in relation to purchasing restrictions on persons boycotting Israel; and to amend the retirement and social security law, in relation to the investment of certain public funds in companies boycotting Israel

The People of the State of New York, represented in Senate and Assembly, 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 § 165-b. Purchasing restrictions; persons boycotting Israel. 1. As
4 used in this section, the following definitions shall apply:

5 (a) "Boycott Israel" or "boycott activities" means engaging in actions
6 that are intended to penalize, inflict economic harm on, or otherwise
7 limit commercial relations with the State of Israel or companies based
8 in the State of Israel or in territories controlled by the State of
9 Israel.

10 (b) "Boycott Israel" or "boycott activities" do not include actions
11 necessary to comply with applicable law in the business's home jurisdic-
12 tion.

13 (c) "Person" means:

14 (i) A corporation, company, limited liability company, business, busi-
15 ness association, partnership, society, trust, or any other nongovern-
16 mental entity, organization, or group.

17 (ii) Any successor, subunit, parent entity, or subsidiary of, or any
18 entity under common ownership or control with, any entity described in
19 subparagraph (i) of this paragraph.

20 2. (a) A person that is identified on a list created pursuant to para-
21 graph (b) of this subdivision as a person that boycotts Israel as

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

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1 described in subdivision one of this section, shall not be deemed a
2 responsive bidder or offerer pursuant to section one hundred sixty-three
3 of this article.

4 (b) (i) Not later than one hundred twenty days after the effective
5 date of this section, the commissioner shall develop or contract to
6 develop, using credible information available to the public, including
7 but not limited to information provided by non-profit organizations,
8 research firms, international organizations and government entities, a
9 list of persons it determines boycott Israel as described in subdivision
10 one of this section. If the commissioner has contracted to develop the
11 list, the list shall be finally developed not later than one hundred
12 twenty days after this section shall take effect. Such list, when
13 completed, shall be posted on the website of the office of general
14 services. A statement by a person or representative of a person with
15 apparent authority to make such a statement, that it is participating in
16 a boycott of Israel, or that it has initiated a boycott in response to a
17 request for a boycott of Israel, shall be considered as evidence that a
18 company is participating in a boycott of Israel.

19 (ii) The commissioner shall update the list every one hundred eighty
20 days.

21 (iii) Before finalizing an initial list pursuant to subparagraph (i)
22 of this paragraph or an updated list pursuant to subparagraph (ii) of
23 this paragraph, the commissioner shall do all of the following:

24 (1) Provide ninety days' written notice of the commissioner's intent
25 to include the person on the list. The notice shall inform the person
26 that inclusion on the list would make the person a non-responsive bidder
27 or offerer. The notice shall specify the boycott activities as described
28 in subdivision one of this section, and provide that such person may
29 apply to the commissioner, or to a supreme court, to be removed from
30 such list pursuant to the requirements of this paragraph, if it ceases
31 such activities.

32 (2) In the event a person included by the commissioner on the list to
33 be developed and published in accordance with this paragraph, demon-
34 strates to the commissioner or to a supreme court that such person is
35 not engaged in such boycott activities as described in subdivision one
36 of this section, or has ceased such boycotting activities, the commis-
37 sioner shall remove such person from the list developed and published in
38 accordance with this paragraph.

39 (3) The commissioner shall make a good faith effort to avoid including
40 a person on the list who is not engaged in boycotting the state of Isra-
41 el.

42 (c) Notwithstanding paragraphs (a) and (b) of this subdivision, a
43 state agency may permit a person boycotting Israel as described by
44 subdivision one of this section to be deemed a responsive bidder or
45 offerer, on a case-by-case basis with a state agency if:

46 (i) The boycott activities were made before the effective date of this
47 section, such activities have not been expanded or renewed after the
48 effective date of this section, and the person has adopted, publicized,
49 and is implementing a plan to cease such activities and to refrain from
50 engaging in any new boycott activities; or

51 (ii) The state agency makes a determination that the commodities or
52 services are necessary for the state agency to perform its functions and
53 that, absent such an exemption, the state agency would be unable to
54 obtain the commodities or services for which the contract is offered.
55 Such determination shall be entered into the procurement record.

1 3. (a) A state agency shall require a person that submits a bid or
2 offer in response to a notice of procurement, or that proposes to renew
3 an existing procurement contract with a state agency or proposes to
4 assume the responsibility of a contractor pursuant to a procurement
5 contract with a state agency or otherwise proposes to enter into a
6 contract with a state agency with respect to a contract for commodities,
7 services, construction, or contracts entered pursuant to section eight
8 of the public buildings law or section thirty-eight of the highway law,
9 to certify, at the time the bid is submitted or the contract is renewed
10 or assigned, that the person or the assignee is not identified on a list
11 created pursuant to paragraph (b) of subdivision two of this section. A
12 state agency shall include certification information in the procurement
13 record.

14 (b) A person that submits a bid or offer in response to a notice of
15 procurement or that proposes to renew an existing procurement contract
16 with a state agency or proposes to assume the responsibility of a
17 contractor pursuant to a procurement contract with a state agency, or
18 otherwise proposes to enter into a contract with a state agency with
19 respect to a contract for commodities, services, construction, or
20 contracts entered pursuant to section eight of the public buildings law
21 or section thirty-eight of the highway law shall not utilize, on the
22 contract with the state agency, any subcontractor that is identified on
23 a list created pursuant to paragraph (b) of subdivision two of this
24 section.

25 4. Upon receiving information that a person who has made the certifi-
26 cation required by subdivision three of this section is in violation
27 thereof, the state agency shall review such information and offer the
28 person an opportunity to respond. If the person fails to demonstrate
29 that it has ceased its boycott activities which are in violation of this
30 act within ninety days after the determination of such violation, then
31 the state agency shall take such action as may be appropriate and
32 provided for by law, rule or contract, including, but not limited to,
33 imposing sanctions, seeking compliance, recovering damages or declaring
34 the contractor in default.

35 5. The commissioner shall report to the governor, comptroller, the
36 temporary president of the senate and the speaker of the assembly annu-
37 ally on or before October first, on the status of this section and any
38 rules or regulations adopted thereunder.

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

41 § 423-d. Investment of certain public funds in companies boycotting
42 Israel. 1. For purposes of this section:

43 (a) "boycott Israel" means engaging in actions that are intended to
44 penalize, inflict economic harm on, or otherwise limit commercial
45 relations with the State of Israel or companies based in the State of
46 Israel or in territories controlled by the State of Israel.

47 (b) "Boycott Israel" does not include actions necessary to comply with
48 applicable law in the business's home jurisdiction.

49 2. On and after the effective date of this section, no moneys or
50 assets of the common retirement fund shall be invested in the stocks,
51 securities or other obligations of any institution or company boycotting
52 Israel. Notwithstanding any provision of law to the contrary, no assets
53 of any pension or annuity fund under the jurisdiction of the comp-
54 troller, shall be invested in any bank or financial institution which
55 directly or through a subsidiary boycotts Israel and no such assets

1 shall be invested in the stocks, securities or other obligations of any
2 company which directly or through a subsidiary boycotts Israel.

3 3. The comptroller shall take appropriate action to sell, redeem,
4 divest or withdraw any investment held in violation of the provisions of
5 this section. This section shall not be construed to require the prema-
6 ture or otherwise imprudent sale, redemption, divestment or withdrawal
7 of an investment, but such sale, redemption, divestment or withdrawal
8 shall be completed no later than three years following the effective
9 date of this section.

10 4. Within sixty days after the effective date of this section, the
11 comptroller shall issue a report to the governor, the comptroller, the
12 temporary president of the senate, and the speaker of the assembly and
13 file with the legislature a report of all investments held as of the
14 effective date of this section which are in violation of the provisions
15 of this section. Every year thereafter, the comptroller shall report on
16 all investments sold, redeemed, divested or withdrawn in compliance with
17 this section. Each report after the initial report shall provide a
18 description of the progress which the comptroller has made since the
19 previous report and since the effective date of this section.

20 § 3. This act shall take effect immediately.