

# 52:32-55

## LEGISLATIVE HISTORY CHECKLIST

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**LAWS OF:** 2012                    **CHAPTER:** 25

**NJSA:** 52:32-55 (Prohibits State and local public contracts with persons or entities engaging in certain investment activities in energy or finance sectors of Iran)

**BILL NO:** S1304                    (Substituted for A2146)

**SPONSOR(S)** Kean and others

**DATE INTRODUCED:** January 30, 2012

**COMMITTEE:**                    **ASSEMBLY:** ---

**SENATE:** State Government  
   Budget and Appropriations

**AMENDED DURING PASSAGE:** Yes

**DATE OF PASSAGE:**                    **ASSEMBLY:** June 28, 2012

**SENATE:** June 25, 2012

**DATE OF APPROVAL:** July 30, 2012

### FOLLOWING ARE ATTACHED IF AVAILABLE:

#### FINAL TEXT OF BILL (First Reprint enacted)

##### S1304

**SPONSOR'S STATEMENT:** (Begins on page 8 of introduced bill) Yes

**COMMITTEE STATEMENT:**                    **ASSEMBLY:** No

**SENATE:** Yes                    State Gov.  
   Budget

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at [www.njleg.state.nj.us](http://www.njleg.state.nj.us))

**FLOOR AMENDMENT STATEMENT:** No

**LEGISLATIVE FISCAL ESTIMATE:** Yes

##### A2146

**SPONSOR'S STATEMENT:** (Begins on page 8 of introduced bill) Yes

**COMMITTEE STATEMENT:**                    **ASSEMBLY:** Yes

**SENATE:** No

**FLOOR AMENDMENT STATEMENT:** No

**LEGISLATIVE FISCAL ESTIMATE:** No

(continued)

**VETO MESSAGE:** No

**GOVERNOR'S PRESS RELEASE ON SIGNING:** Yes

**FOLLOWING WERE PRINTED:**

To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 278-2640 ext.103 or <mailto:refdesk@njstatelib.org>

**REPORTS:** No

**HEARINGS:** No

**NEWSPAPER ARTICLES:** No

**OTHER** Yes

974.90 P418 2011

Report to NJ Legislature pursuant to P.L. 2007, c. 250 (investments in Iran)/State of New Jersey, Department of the Treasury, Division of Investment.  
[Trenton, New Jersey : New Jersey Treasury Dept., 2011] March 3, 2011.

<http://dSPACE.njstatelib.org/xmlui/handle/10929/17259>

LAW/KR

§§1-6 -  
C.52:32-55 to  
52:32-60  
§7 - C.40A:11-2.1  
§8 –  
C.18A:18A-49.4  
§9 –  
C.18A:64A-25.43  
§10 - Note

P.L.2012, CHAPTER 25, *approved July 30, 2012*  
Senate, No. 1304 (*First Reprint*)

1 **AN ACT** concerning public contracts and supplementing various  
2 parts of the statutory law.

3  
4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6  
7 1. The Legislature finds and declares that:

8 a. In imposing sanctions on Iran, the United States Congress  
9 and the President of the United States have determined that the  
10 illicit nuclear activities of Iran, combined with its development of  
11 unconventional weapons and ballistic missiles, and its support of  
12 international terrorism, represent a serious threat to the security of  
13 the United States and its allies around the world.

14 b. The International Atomic Energy Agency has repeatedly  
15 called attention to Iran's unlawful nuclear activities, and as a result,  
16 the United Nations Security Council has adopted four rounds of  
17 sanctions designed to compel the Government of Iran to cease those  
18 activities and comply with its obligations under the Treaty on the  
19 Non-Proliferation of Nuclear Weapons, commonly known as the  
20 Nuclear Non-Proliferation Treaty.

21 c. The human rights situation in Iran has steadily deteriorated  
22 since the fraudulent elections of 2009, as evidenced by the brutal  
23 repression, torture, murder and arbitrary detention of peaceful  
24 protestors, dissidents and minorities.

25 d. On July 1, 2010, President Obama signed into law the  
26 Comprehensive Iran Sanctions, Accountability, and Investment Act  
27 of 2010, which expressly authorizes states and local governments to  
28 prevent investment in, including prohibiting entry into or renewing  
29 contracts with, companies operating in Iran and includes provisions  
30 that preclude companies that do business in Iran from contracting  
31 with the U.S. Government.

**EXPLANATION** – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Senate SSG committee amendments adopted June 4, 2012.

1 e. It is the intention of the Legislature to implement this  
2 authority granted under Section 202 of the Comprehensive Iran  
3 Sanctions, Accountability, and Divestment Act of 2010.

4 f. There are moral and reputational reasons for state and local  
5 governments to not engage in business with foreign companies that  
6 have business activities benefiting foreign states, such as Iran, that  
7 pursue illegal nuclear programs, support acts of terrorism and  
8 commit violations of human rights.

9 g. Short-term economic profits cannot be a justification to  
10 circumvent even in spirit those international sanctions designed to  
11 thwart Iran from developing nuclear weapons.

12 h. The concerns of this Legislature regarding Iran are strictly  
13 the result of the actions of the government of Iran and should not be  
14 construed as enmity toward the Iranian people.

15

16 2. As used in this act:

17 a. “State agency” means any of the principal departments in the  
18 Executive Branch of the State government, and any division, board,  
19 bureau, office, commission or other instrumentality within or  
20 created by such department, the Legislature of the State and any  
21 office, board, bureau or commission within or created by the  
22 Legislative Branch, and any independent State authority,  
23 commission, instrumentality or agency which is authorized by law  
24 to award public contracts.

25 b. “Energy sector” of Iran means activities to develop, invest  
26 in, explore for, refine, transfer, purchase or sell petroleum, gasoline,  
27 or other refined petroleum products, or natural gas, liquefied natural  
28 gas resources or nuclear power in Iran.

29 c. “Financial institution” means the term as used in Section 14  
30 of the Iran Sanctions Act of 1996, Section 14 of Pub.L.104-172 (50  
31 U.S.C. 1701 note).

32 d. <sup>1</sup> “[“Construction sector” of Iran means activities to plan,  
33 design, engineer, build, construct or finance projects and  
34 investments related to development of Iranian infrastructure,  
35 including infrastructure related to Iran’s oil and gas or nuclear  
36 power industry.

37 e.]<sup>1</sup> “Iran” means the government of Iran, and includes the  
38 territory of Iran and any other territory or marine area, including the  
39 exclusive economic zone and continental shelf, over which the  
40 government of Iran claims sovereignty, sovereign rights, or  
41 jurisdiction, provided that the government of Iran exercises partial  
42 or total control over the area or derives a benefit from economic  
43 activity in the area pursuant to international arrangements.

44 <sup>1</sup>[f.] e.<sup>1</sup> “Person or entity” means any of the following:

45 (1) A natural person, corporation, company, limited partnership,  
46 limited liability partnership, limited liability company, business  
47 association, sole proprietorship, joint venture, partnership, society,  
48 trust, or any other nongovernmental entity, organization, or group.

1 (2) Any governmental entity or instrumentality of a government,  
2 including a multilateral development institution, as defined in  
3 Section 1701(c)(3) of the International Financial Institutions Act,  
4 22 U.S.C. 262r(c)(3).

5 (3) Any parent, successor, subunit, direct or indirect subsidiary,  
6 or any entity under common ownership or control with, any entity  
7 described in paragraphs (1) or (2).

8 **‘[g.] f.’** For the purposes of this act, a person engages in  
9 investment activities in Iran **‘.’** if **‘[any of the following is true.**  
10 **The person or entity]’** :

11 **‘[** (1) Provides goods or services in or to the energy, financial or  
12 construction sectors of Iran.

13 (2) Provides oil or liquefied natural gas tankers, or products  
14 used to construct or maintain pipelines used to transport oil or  
15 liquefied natural gas for the energy sector of Iran.

16 (3) Purchases crude oil, refined petroleum products or natural  
17 gas from Iran.

18 (4) Provides goods or services, or payment for goods or  
19 services, to a person or entity on the Specially Designated Nationals  
20 List (SDN) of the U.S. Office of Foreign Assets Control (OFAC)  
21 for Iran or to a non-country specific person or entity placed on the  
22 SDN for violation of OFAC Iran sanctions.

23 (5) Transfers, or facilitates the transfer of, goods or technologies  
24 to Iran, or provides services to Iran including through joint ventures  
25 or licensing of any intellectual property with respect to goods or  
26 technologies described below:

27 (a) firearms or ammunition as those terms are defined in 18  
28 U.S.C. § 921, accessories for firearms, rubber bullets, clubs, batons,  
29 police sticks, mace, stun grenades, tasers or other electroshock  
30 weapons, tear gas, water cannons, motorcycles, motorized transport  
31 for security personnel or surveillance technology;

32 (b) sensitive technology as defined in section 106(c) of the  
33 Comprehensive Iran Sanctions, Accountability, and Divestment Act  
34 of 2010, 22 U.S.C. 8515(c); and

35 (c) other goods or technologies that the State agency determines  
36 may have or may be used by Iran to commit human rights abuses  
37 against the people of Iran whether or not such goods or technologies  
38 are sold directly to Iran or otherwise.

39 (6) Is a financial, insurance or other institution that extends  
40 credit to a person or entity that engages in investment activities  
41 described in this section and is identified on a list created pursuant  
42 to subsection b. of section 3 as a person or entity engaging in  
43 investment activities in Iran. **]**

44 the person provides goods or services of \$20,000,000 or more in  
45 the energy sector of Iran, including a person that provides oil or  
46 liquefied natural gas tankers, or products used to construct or

1 maintain pipelines used to transport oil or liquefied natural gas, for  
2 the energy sector of Iran; or  
3 the person is a financial institution that extends \$20,000,000 or  
4 more in credit to another person, for 45 days or more, if that person  
5 will use the credit to provide goods or services in the energy sector  
6 in Iran and is identified on a list created pursuant to subsection b. of  
7 section 3 of this act as a person engaging in investment activities in  
8 Iran as described in subsection a. of section 3 of this act.

9 The State Treasurer shall adopt regulations that reduce the  
10 amounts provided for in this subsection if the State Treasurer  
11 determines that such change is permitted or required under Section  
12 202 of the Comprehensive Iran Sanctions, Accountability, and  
13 Divestment Act of 2010.<sup>1</sup>

14

15 3. a. A person or entity that, at the time of bid or proposal for a  
16 new contract or renewal of an existing contract, is identified on a  
17 list created pursuant to subsection b. of this section as a person or  
18 entity engaging in investment activities in Iran as described in  
19 subsection <sup>1</sup>[g.] f.<sup>1</sup> of section 2 of this act, shall be ineligible to,  
20 and shall not, bid on, submit a proposal for, or enter into or renew, a  
21 contract with a State agency for goods or services.

22 b. Within <sup>1</sup>[30] 90<sup>1</sup> days of the effective date of this act, the  
23 Department of Treasury shall, using credible information available  
24 to the public, develop a list of persons or entities it determines  
25 engage in investment activities in Iran as described in subsection  
26 <sup>1</sup>[g.] f.<sup>1</sup> of section 2.

27 c. The department shall update the list every <sup>1</sup>[90] 180<sup>1</sup> days.

28 d. Before finalizing an initial list pursuant to subsection b. of  
29 this section or an updated list pursuant to subsection c. of this  
30 section, the department shall do the following before a person or  
31 entity is included on the list:

32 (1) Provide <sup>1</sup>[30] 90<sup>1</sup> days written notice of its intent to include  
33 the person or entity on the list. The notice shall inform the person  
34 or entity that inclusion on the list would make the person or entity  
35 ineligible to bid on, submit a proposal for, or enter into or renew, a  
36 contract for goods or services with a State agency; and

37 (2) Provide a person or entity with an opportunity to comment in  
38 writing that it is not engaged in investment activities in Iran. If the  
39 person or entity demonstrates to the department that the person or  
40 entity is not engaged in investment activities in Iran as described in  
41 subsection <sup>1</sup>[g.] f.<sup>1</sup> of section 2 of this act, the person or entity  
42 shall not be included on the list, unless the person or entity is  
43 otherwise ineligible to bid on a contract as described in paragraph  
44 (3) of subsection a. of section 5 of this act.

45 (3) The department shall make every effort to avoid erroneously  
46 including a person or entity on the list.

1       4. a. A State agency shall require a person or entity that  
2 submits a bid or proposal or otherwise proposes to enter into or  
3 renew a contract to certify, at the time the bid is submitted or the  
4 contract is renewed, that the person or entity is not identified on a  
5 list created pursuant to subsection b. of section 3 of this act as a  
6 person or entity engaging in investment activities in Iran described  
7 in subsection '[g.] f.' of section 2 of this act.

8       b. The certification required shall be executed on behalf of the  
9 applicable person or entity by an authorized officer or  
10 representative of the person or entity.

11       c. In the event that a person or entity is unable to make the  
12 certification required because it or one of its parents, subsidiaries,  
13 or affiliates as defined in subdivision '[f.] e.' of section 2 of this  
14 act has engaged in one or more of the activities specified in  
15 subsection '[g.] f.' of section 2 of this act, the person or entity  
16 shall provide to the State agency concerned, prior to the deadline  
17 for delivery of such certification, a detailed and precise description  
18 of such activities, such description to be provided under penalty of  
19 perjury.

20       d. The certifications provided under subsection a. of this  
21 section and disclosures provided under subsection c. of this section  
22 shall be disclosed to the public.

23  
24       5. a. If the department determines, using credible information  
25 available to the public and after providing '[30] 90' days written  
26 notice and an opportunity to comment in writing for the person or  
27 entity to demonstrate that it is not engaged in investment activities  
28 in Iran, that the person or entity has submitted a false certification  
29 pursuant to section 4 of this act, and the person or entity fails to  
30 demonstrate to the department that the person or entity has ceased  
31 its engagement in the investment activities in Iran within '[30] 90'  
32 days after the determination of a false certification, the following  
33 shall apply:

34       (1) Pursuant to an action under subsection b. of this section, a  
35 civil penalty in an amount that is equal to the greater of \$1,000,000  
36 or twice the amount of the contract for which the false certification  
37 was made.

38       (2) Termination of an existing contract with the State agency as  
39 deemed appropriate by the State agency.

40       (3) Ineligibility to bid on a contract for a period of three years  
41 from the date of the determination that the person or entity  
42 submitted the false certification.

43       b. The department shall report to the 'New Jersey' Attorney  
44 General the name of the person or entity that the State agency  
45 determines has submitted a false certification under section 4 of this  
46 act, together with its information as to the false certification, and  
47 the Attorney General shall determine whether to bring a civil action

1 against the person or entity to collect the penalty described in  
2 paragraph (1) of subsection a. of this section.

3 Only one civil action against the person or entity to collect the  
4 penalty described in paragraph (1) of subsection a. of this section  
5 may be brought for a false certification on a contract. A civil action  
6 to collect such penalty shall commence within three years from the  
7 date the certification is made.

8

9 6. The Governor shall submit to the Attorney General of the  
10 United States a written notice describing this act within 30 days  
11 after its effective date.

12

13 7. a. A local contracting unit as defined in and subject to the  
14 provisions of the "Local Public Contracts Law," P.L.1971, c.198  
15 (C.40A:11-1 et seq.), shall implement and comply with the  
16 provisions of P.L. , c. (C. )(pending before the Legislature as  
17 this bill), except that the contracting unit shall rely on the list  
18 developed by the State Department of the Treasury pursuant to  
19 section 3 of P.L. , c. (C. )(pending before the Legislature as  
20 this bill).

21 b. If the local contracting unit determines that a person or  
22 entity has submitted a false certification concerning its engagement  
23 in investment activities in Iran pursuant to section 4 of  
24 P.L. , c. (C. )(pending before the Legislature as this bill), the  
25 local contracting unit shall report to the 'New Jersey' Attorney  
26 General the name of that person or entity, and the Attorney General  
27 shall determine whether to bring a civil action against the person to  
28 collect the penalty prescribed in paragraph (1) of subsection a. of  
29 section 5 of P.L. , c. (C. )(pending before the Legislature as this  
30 bill). The local contracting unit may also report to the municipal  
31 attorney or county counsel, as appropriate, the name of that person,  
32 together with its information as to the false certification, and the  
33 municipal attorney or county counsel, as appropriate, may  
34 determine to bring such civil action against the person to collect  
35 such penalty.

36

37 8. a. A board of education as defined in and subject to the  
38 provisions of the "Public School Contracts Law," P.L.1977, c.114  
39 (N.J.S.18A:18A-1 et seq.), shall implement and comply with the  
40 provisions of P.L. , c. (C. )(pending before the Legislature as  
41 this bill), except that the board shall rely on the list developed by  
42 the State Department of the Treasury pursuant to section 3 of  
43 P.L. , c. (C. )(pending before the Legislature as this bill).

44 b. If the board determines that a person or entity has submitted  
45 a false certification concerning its engagement in investment  
46 activities in Iran under section 4 of P.L. , c. (C. )(pending  
47 before the Legislature as this bill), the board shall report to the  
48 'New Jersey' Attorney General the name of that person or entity,



1 and the Attorney General shall determine whether to bring a civil  
2 action against the person to collect the penalty prescribed in  
3 paragraph (1) of subsection a. of section 5 of  
4 P.L. , c. (C. )(pending before the Legislature as this bill).

5 The board may also report to the board's attorney the name of  
6 that person, together with its information as to the false  
7 certification, and the board's attorney may determine to bring such  
8 civil action against the person to collect such penalty.

9  
10 9. a. A county college as defined in and subject to the  
11 provisions of the "County College Contracts Law," P.L.1982, c.189  
12 (C.18A:64A-25.1 et seq.), shall implement and comply with the  
13 provisions of P.L. , c. (C. )(pending before the Legislature as  
14 this bill), except that the county college shall rely on the list  
15 developed by the State Department of the Treasury pursuant to  
16 section 3 of P.L. , c. (C. )(pending before the Legislature as  
17 this bill).

18 b. If the county college determines that a person or entity has  
19 submitted a false certification concerning its engagement in  
20 investment activities in Iran pursuant to section 4 of  
21 P.L. , c. (C. )(pending before the Legislature as this bill), the  
22 county college shall report to the <sup>1</sup>New Jersey<sup>1</sup> Attorney General  
23 the name of that person, and the Attorney General shall determine  
24 whether to bring a civil action against the person or entity to collect  
25 the penalty prescribed in paragraph (1) of subsection a. of section 5  
26 of P.L. , c. (C. )(pending before the Legislature as this bill).

27 The county college may also report to the county college  
28 attorney the name of that person, together with its information as to  
29 the false certification, and the county college attorney may  
30 determine to bring such civil action against the person to collect  
31 such penalty.

32  
33 10. This act shall take effect immediately but shall apply to  
34 contracts awarded or renewed commencing 30 days after the  
35 effective date of this act.

36  
37  
38 \_\_\_\_\_  
39

40 Prohibits State and local public contracts with persons or entities  
41 engaging in certain investment activities in energy or finance  
42 sectors of Iran.

# SENATE, No. 1304

## STATE OF NEW JERSEY 215th LEGISLATURE

INTRODUCED JANUARY 30, 2012

**Sponsored by:**

**Senator THOMAS H. KEAN, JR.**

**District 21 (Morris, Somerset and Union)**

**Senator STEPHEN M. SWEENEY**

**District 3 (Cumberland, Gloucester and Salem)**

**Co-Sponsored by:**

**Senators B.Smith, Beach, Buono, Cardinale, Weinberg, A.R.Bucco,  
Kyrillos, Oroho, Beck, Singer, Bateman, Gill and Gordon**

**SYNOPSIS**

Prohibits State and local public contracts with persons or entities engaging in certain investment activities in energy, finance, or construction sectors of Iran.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/1/2012)**

1 AN ACT concerning public contracts and supplementing various  
2 parts of the statutory law.

3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
5 *of New Jersey:*

6

7 1. The Legislature finds and declares that:

8 a. In imposing sanctions on Iran, the United States Congress  
9 and the President of the United States have determined that the  
10 illicit nuclear activities of Iran, combined with its development of  
11 unconventional weapons and ballistic missiles, and its support of  
12 international terrorism, represent a serious threat to the security of  
13 the United States and its allies around the world.

14 b. The International Atomic Energy Agency has repeatedly  
15 called attention to Iran's unlawful nuclear activities, and as a result,  
16 the United Nations Security Council has adopted four rounds of  
17 sanctions designed to compel the Government of Iran to cease those  
18 activities and comply with its obligations under the Treaty on the  
19 Non-Proliferation of Nuclear Weapons, commonly known as the  
20 Nuclear Non-Proliferation Treaty.

21 c. The human rights situation in Iran has steadily deteriorated  
22 since the fraudulent elections of 2009, as evidenced by the brutal  
23 repression, torture, murder and arbitrary detention of peaceful  
24 protestors, dissidents and minorities.

25 d. On July 1, 2010, President Obama signed into law the  
26 Comprehensive Iran Sanctions, Accountability, and Investment Act  
27 of 2010, which expressly authorizes states and local governments to  
28 prevent investment in, including prohibiting entry into or renewing  
29 contracts with, companies operating in Iran and includes provisions  
30 that preclude companies that do business in Iran from contracting  
31 with the U.S. Government.

32 e. It is the intention of the Legislature to implement this  
33 authority granted under Section 202 of the Comprehensive Iran  
34 Sanctions, Accountability, and Divestment Act of 2010.

35 f. There are moral and reputational reasons for state and local  
36 governments to not engage in business with foreign companies that  
37 have business activities benefiting foreign states, such as Iran, that  
38 pursue illegal nuclear programs, support acts of terrorism and  
39 commit violations of human rights.

40 g. Short-term economic profits cannot be a justification to  
41 circumvent even in spirit those international sanctions designed to  
42 thwart Iran from developing nuclear weapons.

43 h. The concerns of this Legislature regarding Iran are strictly  
44 the result of the actions of the government of Iran and should not be  
45 construed as enmity toward the Iranian people.

46

47 2. As used in this act:

- 1 a. "State agency" means any of the principal departments in the  
2 Executive Branch of the State government, and any division, board,  
3 bureau, office, commission or other instrumentality within or  
4 created by such department, the Legislature of the State and any  
5 office, board, bureau or commission within or created by the  
6 Legislative Branch, and any independent State authority,  
7 commission, instrumentality or agency which is authorized by law  
8 to award public contracts.
- 9 b. "Energy sector" of Iran means activities to develop, invest  
10 in, explore for, refine, transfer, purchase or sell petroleum, gasoline,  
11 or other refined petroleum products, or natural gas, liquefied natural  
12 gas resources or nuclear power in Iran.
- 13 c. "Financial institution" means the term as used in Section 14  
14 of the Iran Sanctions Act of 1996, Section 14 of Pub.L.104-172 (50  
15 U.S.C. 1701 note).
- 16 d. "Construction sector" of Iran means activities to plan,  
17 design, engineer, build, construct or finance projects and  
18 investments related to development of Iranian infrastructure,  
19 including infrastructure related to Iran's oil and gas or nuclear  
20 power industry.
- 21 e. "Iran" means the government of Iran, and includes the  
22 territory of Iran and any other territory or marine area, including the  
23 exclusive economic zone and continental shelf, over which the  
24 government of Iran claims sovereignty, sovereign rights, or  
25 jurisdiction, provided that the government of Iran exercises partial  
26 or total control over the area or derives a benefit from economic  
27 activity in the area pursuant to international arrangements.
- 28 f. "Person or entity" means any of the following:
- 29 (1) A natural person, corporation, company, limited partnership,  
30 limited liability partnership, limited liability company, business  
31 association, sole proprietorship, joint venture, partnership, society,  
32 trust, or any other nongovernmental entity, organization, or group.
- 33 (2) Any governmental entity or instrumentality of a government,  
34 including a multilateral development institution, as defined in  
35 Section 1701(c)(3) of the International Financial Institutions Act,  
36 22 U.S.C. 262r(c)(3).
- 37 (3) Any parent, successor, subunit, direct or indirect subsidiary,  
38 or any entity under common ownership or control with, any entity  
39 described in paragraphs (1) or (2).
- 40 g. For the purposes of this act, a person engages in investment  
41 activities in Iran if any of the following is true. The person or  
42 entity:
- 43 (1) Provides goods or services in or to the energy, financial or  
44 construction sectors of Iran.
- 45 (2) Provides oil or liquefied natural gas tankers, or products  
46 used to construct or maintain pipelines used to transport oil or  
47 liquefied natural gas for the energy sector of Iran.

1 (3) Purchases crude oil, refined petroleum products or natural  
2 gas from Iran.

3 (4) Provides goods or services, or payment for goods or  
4 services, to a person or entity on the Specially Designated Nationals  
5 List (SDN) of the U.S. Office of Foreign Assets Control (OFAC)  
6 for Iran or to a non-country specific person or entity placed on the  
7 SDN for violation of OFAC Iran sanctions.

8 (5) Transfers, or facilitates the transfer of, goods or technologies  
9 to Iran, or provides services to Iran including through joint ventures  
10 or licensing of any intellectual property with respect to goods or  
11 technologies described below:

12 (a) firearms or ammunition as those terms are defined in 18  
13 U.S.C. § 921, accessories for firearms, rubber bullets, clubs, batons,  
14 police sticks, mace, stun grenades, tasers or other electroshock  
15 weapons, tear gas, water cannons, motorcycles, motorized transport  
16 for security personnel or surveillance technology;

17 (b) sensitive technology as defined in section 106(c) of the  
18 Comprehensive Iran Sanctions, Accountability, and Divestment Act  
19 of 2010, 22 U.S.C. 8515(c); and

20 (c) other goods or technologies that the State agency determines  
21 may have or may be used by Iran to commit human rights abuses  
22 against the people of Iran whether or not such goods or technologies  
23 are sold directly to Iran or otherwise.

24 (6) Is a financial, insurance or other institution that extends  
25 credit to a person or entity that engages in investment activities  
26 described in this section and is identified on a list created pursuant  
27 to subsection b. of section 3 as a person or entity engaging in  
28 investment activities in Iran.

29  
30 3. a. A person or entity that, at the time of bid or proposal for a  
31 new contract or renewal of an existing contract, is identified on a  
32 list created pursuant to subsection b. of this section as a person or  
33 entity engaging in investment activities in Iran as described in  
34 subsection g. of section 2 of this act, shall be ineligible to, and shall  
35 not, bid on, submit a proposal for, or enter into or renew, a contract  
36 with a State agency for goods or services.

37 b. Within 30 days of the effective date of this act, the  
38 Department of Treasury shall, using credible information available  
39 to the public, develop a list of persons or entities it determines  
40 engage in investment activities in Iran as described in subsection g.  
41 of section 2.

42 c. The department shall update the list every 90 days.

43 d. Before finalizing an initial list pursuant to subsection b. of  
44 this section or an updated list pursuant to subsection c. of this  
45 section, the department shall do the following before a person or  
46 entity is included on the list:

47 (1) Provide 30 days written notice of its intent to include the  
48 person or entity on the list. The notice shall inform the person or

1 entity that inclusion on the list would make the person or entity  
2 ineligible to bid on, submit a proposal for, or enter into or renew, a  
3 contract for goods or services with a State agency; and

4 (2) Provide a person or entity with an opportunity to comment in  
5 writing that it is not engaged in investment activities in Iran. If the  
6 person or entity demonstrates to the department that the person or  
7 entity is not engaged in investment activities in Iran as described in  
8 subsection g. of section 2 of this act, the person or entity shall not  
9 be included on the list, unless the person or entity is otherwise  
10 ineligible to bid on a contract as described in paragraph (3) of  
11 subsection a. of section 5 of this act.

12 (3) The department shall make every effort to avoid erroneously  
13 including a person or entity on the list.

14

15 4. a. A State agency shall require a person or entity that  
16 submits a bid or proposal or otherwise proposes to enter into or  
17 renew a contract to certify, at the time the bid is submitted or the  
18 contract is renewed, that the person or entity is not identified on a  
19 list created pursuant to subsection b. of section 3 of this act as a  
20 person or entity engaging in investment activities in Iran described  
21 in subsection g. of section 2 of this act.

22 b. The certification required shall be executed on behalf of the  
23 applicable person or entity by an authorized officer or  
24 representative of the person or entity.

25 c. In the event that a person or entity is unable to make the  
26 certification required because it or one of its parents, subsidiaries,  
27 or affiliates as defined in subdivision f. of section 2 of this act has  
28 engaged in one or more of the activities specified in subsection g. of  
29 section 2 of this act, the person or entity shall provide to the State  
30 agency concerned, prior to the deadline for delivery of such  
31 certification, a detailed and precise description of such activities,  
32 such description to be provided under penalty of perjury.

33 d. The certifications provided under subsection a. of this  
34 section and disclosures provided under subsection c. of this section  
35 shall be disclosed to the public.

36

37 5. a. If the department determines, using credible information  
38 available to the public and after providing 30 days written notice  
39 and an opportunity to comment in writing for the person or entity to  
40 demonstrate that it is not engaged in investment activities in Iran,  
41 that the person or entity has submitted a false certification pursuant  
42 to section 4 of this act, and the person or entity fails to demonstrate  
43 to the department that the person or entity has ceased its  
44 engagement in the investment activities in Iran within 30 days after  
45 the determination of a false certification, the following shall apply:

46 (1) Pursuant to an action under subsection b. of this section, a  
47 civil penalty in an amount that is equal to the greater of \$1,000,000

1 or twice the amount of the contract for which the false certification  
2 was made.

3 (2) Termination of an existing contract with the State agency as  
4 deemed appropriate by the State agency.

5 (3) Ineligibility to bid on a contract for a period of three years  
6 from the date of the determination that the person or entity  
7 submitted the false certification.

8 b. The department shall report to the Attorney General the  
9 name of the person or entity that the State agency determines has  
10 submitted a false certification under section 4 of this act, together  
11 with its information as to the false certification, and the Attorney  
12 General shall determine whether to bring a civil action against the  
13 person or entity to collect the penalty described in paragraph (1) of  
14 subsection a. of this section.

15 Only one civil action against the person or entity to collect the  
16 penalty described in paragraph (1) of subsection a. of this section  
17 may be brought for a false certification on a contract. A civil action  
18 to collect such penalty shall commence within three years from the  
19 date the certification is made.

20

21 6. The Governor shall submit to the Attorney General of the  
22 United States a written notice describing this act within 30 days  
23 after its effective date.

24

25 7. a. A local contracting unit as defined in and subject to the  
26 provisions of the "Local Public Contracts Law," P.L.1971, c.198  
27 (C.40A:11-1 et seq.), shall implement and comply with the  
28 provisions of P.L. , c. (C. )(pending before the Legislature as  
29 this bill), except that the contracting unit shall rely on the list  
30 developed by the State Department of the Treasury pursuant to  
31 section 3 of P.L. , c. (C. )(pending before the Legislature as  
32 this bill).

33 b. If the local contracting unit determines that a person or  
34 entity has submitted a false certification concerning its engagement  
35 in investment activities in Iran pursuant to section 4 of P.L. , c.  
36 (C. )(pending before the Legislature as this bill), the local  
37 contracting unit shall report to the Attorney General the name of  
38 that person or entity, and the Attorney General shall determine  
39 whether to bring a civil action against the person to collect the  
40 penalty prescribed in paragraph (1) of subsection a. of section 5 of  
41 P.L. , c. (C. )(pending before the Legislature as this bill). The  
42 local contracting unit may also report to the municipal attorney or  
43 county counsel, as appropriate, the name of that person, together  
44 with its information as to the false certification, and the municipal  
45 attorney or county counsel, as appropriate, may determine to bring  
46 such civil action against the person to collect such penalty.

1       8. a. A board of education as defined in and subject to the  
2 provisions of the "Public School Contracts Law," P.L.1977, c.114  
3 (N.J.S.18A:18A-1 et seq.), shall implement and comply with the  
4 provisions of P.L. , c. (C. )(pending before the Legislature as  
5 this bill), except that the board shall rely on the list developed by  
6 the State Department of the Treasury pursuant to section 3 of  
7 P.L. , c. (C. )(pending before the Legislature as this bill).

8       b. If the board determines that a person or entity has submitted  
9 a false certification concerning its engagement in investment  
10 activities in Iran under section 4 of P.L. , c. (C. )(pending  
11 before the Legislature as this bill), the board shall report to the  
12 Attorney General the name of that person or entity, and the  
13 Attorney General shall determine whether to bring a civil action  
14 against the person to collect the penalty prescribed in paragraph (1)  
15 of subsection a. of section 5 of P.L. , c. (C. )(pending before  
16 the Legislature as this bill).

17       The board may also report to the board's attorney the name of  
18 that person, together with its information as to the false  
19 certification, and the board's attorney may determine to bring such  
20 civil action against the person to collect such penalty.

21

22       9. a. A county college as defined in and subject to the  
23 provisions of the "County College Contracts Law," P.L.1982, c.189  
24 (C.18A:64A-25.1 et seq.), shall implement and comply with the  
25 provisions of P.L. , c. (C. )(pending before the Legislature as  
26 this bill), except that the county college shall rely on the list  
27 developed by the State Department of the Treasury pursuant to  
28 section 3 of P.L. , c. (C. )(pending before the Legislature as  
29 this bill).

30       b. If the county college determines that a person or entity has  
31 submitted a false certification concerning its engagement in  
32 investment activities in Iran pursuant to section 4 of  
33 P.L. , c. (C. )(pending before the Legislature as this bill), the  
34 county college shall report to the Attorney General the name of that  
35 person, and the Attorney General shall determine whether to bring a  
36 civil action against the person or entity to collect the penalty  
37 prescribed in paragraph (1) of subsection a. of section 5 of P.L. ,  
38 c. (C. )(pending before the Legislature as this bill).

39       The county college may also report to the county college  
40 attorney the name of that person, together with its information as to  
41 the false certification, and the county college attorney may  
42 determine to bring such civil action against the person to collect  
43 such penalty.

44

45       10. This act shall take effect immediately but shall apply to  
46 contracts awarded or renewed commencing 30 days after the  
47 effective date of this act.



## STATEMENT

1

2

3 This bill prohibits public contracts by the State, a local  
4 contracting unit, a board of education, and a county college with  
5 persons or entities engaged in certain investment activities in the  
6 energy, financial or construction sectors of Iran, and implements the  
7 authority granted under federal law to the states and to local  
8 governments pursuant to the Comprehensive Iran Sanctions,  
9 Accountability, and Divestment Act of 2010, Public Law 111-195,  
10 signed into law by President Obama on July 1, 2010. The purpose  
11 of the bill is to support the policy of the United States to deny Iran  
12 the ability to support acts of international terrorism or to fund the  
13 development and acquisition of weapons of mass destruction and  
14 the means to deliver them by limiting Iran's ability to develop  
15 petroleum or natural gas resources or nuclear power in Iran.

16 Under the bill, a State agency must require a person or entity that  
17 submits a bid or proposal or otherwise proposes to enter into or  
18 renew a contract to certify that the person or entity is not identified  
19 on a list to be developed by the State Department of the Treasury of  
20 persons or entities engaging in certain investment activities in Iran.

21 The bill provides that a person or entity engages in investment  
22 activities in Iran if any of the following is true. The person or  
23 entity: (1) provides goods or services in or to the energy, finance or  
24 construction sectors of Iran; (2) provides oil or liquefied natural gas  
25 tankers, or products used to construct or maintain pipelines used to  
26 transport oil or liquefied natural gas for the energy sector of Iran;  
27 (3) purchases crude oil, refined petroleum products or natural gas  
28 from Iran; (4) provides goods or services, or payment for goods or  
29 services, to a person or entity on the U.S. Office of Foreign Assets  
30 Control's (OFAC) Specially Designated Nationals List (SDN) for  
31 Iran or to a non-country specific person or entity placed on the SDN  
32 for violation of OFAC Iran Sanctions; (5) transfers, or facilitates the  
33 transfer of, goods or technologies to Iran; or provides services to  
34 Iran including through joint ventures or licensing of any intellectual  
35 property with respect to goods or technologies as described in the  
36 bill; or (6) is a financial, insurance or other institution that extends  
37 credit to a person or entity that engages in investment activities  
38 described in paragraphs (1) through (5) and is identified on a list  
39 created by the department as a person or entity engaging in  
40 investment activities in Iran.

41 Within 30 days of the enactment of the bill, the department must  
42 develop a list of persons or entities the department determines  
43 engage in investment activities in Iran as described in the bill. The  
44 department must update this list every 90 days. Before finalizing  
45 the list, the department must provide 30 days' written notice of its  
46 intent to include the person or entity on the list, and provide the  
47 person or entity with an opportunity to comment in writing. Upon a  
48 successful demonstration to the department that the person is not

1 engaged in investment activities in Iran, the person will not be  
2 included on the list and will be eligible to contract with the State  
3 agency.

4 If the department determines that a person has submitted a false  
5 certification concerning its engagement in investment activities in  
6 Iran and has failed to demonstrate to the department that the person  
7 has ceased its engagement within 30 days after the department's  
8 determination, the department must report the information  
9 pertaining to the false certification to the Attorney General who will  
10 determine whether to bring a civil action against the person or  
11 entity to collect the penalty set forth in the bill, which must be the  
12 greater of \$1,000,000 or twice the amount of the contract. The  
13 existing contract will be terminated, if the State agency deems it  
14 appropriate, and the person or entity will be ineligible to bid on a  
15 contract for a period of three years from the date of the  
16 department's determination.

17 Only one civil action against the person or entity to collect the  
18 penalty described in the bill may be brought for a false certification  
19 on a contract. A civil action to collect such penalty must commence  
20 within three years from the date the certification is made.

21 A local contracting unit, board of education or county college,  
22 subject to the provisions of the "Local Public Contracts Law,"  
23 P.L.1971, c.198 (C.40A:11-1 et seq.), the "Public School Contracts  
24 Law," N.J.S.18A:18A-1 et seq., or the "County College Contracts  
25 Law," P.L.1982, c.189 (C.18A:64A-25.1 et seq.), respectively, must  
26 implement and comply with the provisions of the bill and must use  
27 the list developed by the department concerning persons or entities  
28 determined to be engaged in investment activities in Iran.

29 The Governor must submit to the Attorney General of the United  
30 States a written notice describing the act within 30 days after its  
31 effective date.

SENATE STATE GOVERNMENT, WAGERING, TOURISM &  
HISTORIC PRESERVATION COMMITTEE

STATEMENT TO  
**SENATE, No. 1304**

with committee amendments

**STATE OF NEW JERSEY**

DATED: JUNE 4, 2012

The Senate State Government, Wagering, Tourism and Historic Preservation Committee reports favorably and with committee amendments Senate Bill No. 1304.

This bill prohibits public contracts by the State, a local contracting unit, a board of education, and a county college with persons or entities engaged in certain investment activities in the energy and financial sectors of Iran, and implements the authority granted under federal law to the states and to local governments pursuant to the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, Public Law 111-195, signed into law by President Obama on July 1, 2010. The purpose of the bill is to support the policy of the United States to deny Iran the ability to support acts of international terrorism or to fund the development and acquisition of weapons of mass destruction and the means to deliver them by limiting Iran's ability to develop petroleum or natural gas resources or nuclear power in Iran.

Under the bill, a State agency must require a person or entity that submits a bid or proposal or otherwise proposes to enter into or renew a contract to certify that the person or entity is not identified on a list to be developed by the State Department of the Treasury of persons or entities engaging in certain investment activities in Iran.

The bill provides that a person or entity engages in investment activities in Iran if the person or entity:

provides goods or services of \$20,000,000 or more in the energy sector of Iran, including a person that provides oil or liquefied natural gas tankers, or products used to construct or maintain pipelines used to transport oil or liquefied natural gas, for the energy sector of Iran; or

is a financial institution that extends \$20,000,000 or more in credit to another person, for 45 days or more, if that person will use the credit to provide goods or services in the energy sector in Iran and is identified on a list created pursuant to the bill as a person engaging in investment activities in Iran.

Within 90 days of the enactment of the bill, the department must develop a list of persons or entities the department determines engage in investment activities in Iran as described in the bill. The department must update this list every 180 days. Before finalizing the list, the department must provide 90 days' written notice of its intent to include the person or entity on the list, and provide the person or entity with an opportunity to comment in writing. Upon a successful demonstration to the department that the person is not engaged in investment activities in Iran, the person will not be included on the list and will be eligible to contract with the State agency.

If the department determines that a person has submitted a false certification concerning its engagement in investment activities in Iran and has failed to demonstrate to the department that the person has ceased its engagement within 90 days after the department's determination, the department must report the information pertaining to the false certification to the Attorney General who will determine whether to bring a civil action against the person or entity to collect the penalty set forth in the bill, which must be the greater of \$1,000,000 or twice the amount of the contract. The existing contract will be terminated, if the State agency deems it appropriate, and the person or entity will be ineligible to bid on a contract for a period of three years from the date of the department's determination.

Only one civil action against the person or entity to collect the penalty described in the bill may be brought for a false certification on a contract. A civil action to collect such penalty must commence within three years from the date the certification is made.

A local contracting unit, board of education or county college, subject to the provisions of the "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.), the "Public School Contracts Law," N.J.S.18A:18A-1 et seq., or the "County College Contracts Law," P.L.1982, c.189 (C.18A:64A-25.1 et seq.), respectively, must implement and comply with the provisions of the bill and must use the list developed by the department concerning persons or entities determined to be engaged in investment activities in Iran.

The Governor must submit to the Attorney General of the United States a written notice describing the act within 30 days after its effective date

#### COMMITTEE AMENDMENTS

The committee amended the bill to:

ensure that the bill's provisions regarding investment activities are within the scope of the authority delegated to the states by section 202 of the federal Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010;

increase the period of time that the State Department of the Treasury has to develop a list of persons or entities engaged in

investment activities in Iran from 30 days to 90 days and require the department to update the list every 180 days instead of every 90 days;

provide that the department must provide 90 days notice instead of 30 days notice to a person or entity that it intends to include on the list of persons or entities engaged in investment activities in Iran;

provide that a person or entity that is determined by the department to have submitted a false certification will have 90 days instead of 30 days to demonstrate that it has ceased its engagement in investment activities in Iran; and

clarify that references in the bill to “Attorney General” mean the “New Jersey Attorney General.”

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

**SENATE, No. 1304**

# **STATE OF NEW JERSEY**

DATED: JUNE 21, 2012

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1304 (1R).

This bill prohibits public contracts by a State agency, a local contracting unit, a board of education, and a county college with persons or entities engaged in certain investment activities in the energy and financial sectors of Iran, and implements the authority granted under federal law to the states and to local governments pursuant to the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, Public Law 111-195, enacted July 1, 2010. The purpose of the bill is to support the policy of the United States to deny Iran the ability to support acts of international terrorism or to fund the development and acquisition of weapons of mass destruction and the means to deliver them by limiting Iran's ability to develop petroleum or natural gas resources or nuclear power in Iran.

Under the bill, a State agency must require a person or entity that submits a bid or proposal or otherwise proposes to enter into or renew a contract to certify that the person or entity is not identified on a list to be developed by the New Jersey Department of the Treasury of persons or entities engaging in certain investment activities in Iran.

Within 90 days of the enactment, the department must develop a list of persons or entities the department determines engage in investment activities in Iran. The department must update this list every 180 days. Before finalizing the list, the department must provide 90 days' written notice of its intent to include the person or entity on the list, and provide the person or entity with an opportunity to comment in writing. Upon a successful demonstration to the department that the person is not engaged in investment activities in Iran, the person will not be included on the list and will be eligible to contract with the State agency.

A local contracting unit, board of education or county college, subject to the provisions of the "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.), the "Public School Contracts Law," N.J.S.18A:18A-1 et seq., or the "County College Contracts Law," P.L.1982, c.189 (C.18A:64A-25.1 et seq.), respectively, must implement and comply with the provisions of the bill and must use the

list developed by the department concerning persons or entities determined to be engaged in investment activities in Iran.

The bill provides that a person or entity engages in investment activities in Iran if the person or entity:

provides goods or services of \$20,000,000 or more in the energy sector of Iran, including a person that provides oil or liquefied natural gas tankers, or products used to construct or maintain pipelines used to transport oil or liquefied natural gas, for the energy sector of Iran; or

is a financial institution that extends \$20,000,000 or more in credit to another person, for 45 days or more, if that person will use the credit to provide goods or services in the energy sector in Iran and is identified on a list created pursuant to the bill as a person engaging in investment activities in Iran.

If the department determines that a person has submitted a false certification concerning its engagement in investment activities in Iran and has failed to demonstrate to the department that the person has ceased its engagement within 90 days after the department's determination, the department must report the information pertaining to the false certification to the New Jersey Attorney General who will determine whether to bring a civil action against the person or entity to collect the penalty set forth in the bill, which must be the greater of \$1,000,000 or twice the amount of the contract. The existing contract will be terminated, if the State agency deems it appropriate, and the person or entity will be ineligible to bid on a contract for a period of three years from the date of the department's determination.

Only one civil action against the person or entity to collect the penalty described in the bill may be brought for a false certification on a contract. A civil action to collect such penalty must commence within three years from the date the certification is made.

The Governor must submit to the Attorney General of the United States a written notice describing this bill within 30 days after the date of enactment.

#### FISCAL IMPACT:

The Office of Legislative Services (OLS) cannot determine the fiscal impact of this bill because information on how many and which companies would become ineligible to submit a bid or proposal or otherwise enter into or renew a public contract in this State, and the types and contracting patterns of the government entities in this State, is not known. The OLS notes that to the extent that this bill reduces the number of persons or entities eligible to hold public contracts, the costs of such contracts could, perhaps, increase due to a fewer number of suppliers bidding. However, this cannot be measured at this time.

The OLS anticipates that there may be some intermittent minimal revenue increase from the imposition of the penalties provided for in the bill.

The bill imposes certain responsibilities on the Department of the Treasury which, the OLS anticipates, could be absorbed within existing resources



# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

## SENATE, No. 1304 STATE OF NEW JERSEY 215th LEGISLATURE

DATED: JUNE 25, 2012

### SUMMARY

- Synopsis:** Prohibits State and local public contracts with persons or entities engaging in certain investment activities in energy or finance sectors of Iran.
- Type of Impact:** Indeterminate Impact.
- Agencies Affected:** All State agencies, including independent authorities and institutions of higher education; local government entities; boards of education; county colleges.

#### Office of Legislative Services Estimate

<b>Fiscal Impact</b>	<b><u>FY 2013</u></b>	<b><u>FY 2014</u></b>	<b><u>FY 2015</u></b>
<b>State and Local</b>	Indeterminate – See comments below		

- Prohibits public contracts by the State, local government entities, boards of education, and county colleges with persons or entities engaged in certain investment activities in the energy and financial sectors of Iran, and implements the authority granted under federal law to the states and to local governments pursuant to the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, Public Law 111-195, signed into law by President Obama on July 1, 2010.
- The Office of Legislative Services (OLS) cannot determine the fiscal impact of this bill because information on how many and which companies would become ineligible to submit a bid or proposal or otherwise enter into or renew a public contract in this State, and the types and contracting patterns of the government entities in this State, is not known. The OLS notes that to the extent that this bill reduces the number of persons or entities eligible to hold public contracts, the costs of such contracts could, perhaps, increase due to a fewer number of suppliers bidding. However, this cannot be measured at this time.
- The OLS anticipates that there may be some intermittent minimal revenue increase from the imposition of the penalties provided for in the bill.

## **BILL DESCRIPTION**

Senate Bill No. 1304 (1R) of 2012 prohibits public contracts by the State, local contracting units, boards of education, and county colleges with persons or entities engaged in certain investment activities in the energy and financial sectors of Iran as defined in the bill, and implements the authority granted under federal law to the states and to local governments pursuant to the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, Public Law 111-195, signed into law by President Obama on July 1, 2010.

Under the bill, a State agency must require a person or entity that submits a bid or proposal or otherwise proposes to enter into or renew a contract to certify that the person or entity is not identified on a list to be developed by the State Department of the Treasury of persons or entities engaging in certain investment activities in Iran.

The bill provides penalties for submitting a false certification concerning its engagement in investment activities in Iran and has failed to demonstrate to the department that the person has ceased its engagement within 90 days after the department's determination of the false certification.

Local contracting units, boards of education, and county colleges, subject to the provisions of the "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.), the "Public School Contracts Law," N.J.S.18A:18A-1 et seq., or the "County College Contracts Law," P.L.1982, c.189 (C.18A:64A-25.1 et seq.), respectively, must implement and comply with the provisions of the bill and must use the list developed by the department concerning persons or entities determined to be engaged in investment activities in Iran.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS cannot determine the fiscal impact of this bill because information on how many and which companies would become ineligible to submit a bid or proposal or otherwise enter into or renew a public contract in this State, and the types and contracting patterns of the government entities in this State, is not known at this time. Even with such information, the impact on future contracting costs may not be ascertainable due to unknown and dynamic economic variables. The OLS notes that to the extent that this bill reduces the number of persons or entities eligible to hold public contracts, the costs of such contracts could, perhaps, increase. However, this cannot be measured at this time.

The OLS anticipates that there may be some intermittent minimal revenue increase from the imposition of the penalties provided for in the bill.

The bill imposes certain responsibilities on the Department of the Treasury which, the OLS anticipates, could be absorbed within existing resources.

*Section: State Government*

*Analyst: Aggie Szilagyi  
Section Chief*

*Approved: David J. Rosen  
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

# ASSEMBLY, No. 2146

## STATE OF NEW JERSEY 215th LEGISLATURE

INTRODUCED JANUARY 30, 2012

**Sponsored by:**

**Assemblyman JOHN F. MCKEON**

**District 27 (Essex and Morris)**

**Assemblyman JON M. BRAMNICK**

**District 21 (Morris, Somerset and Union)**

**Assemblywoman MILA M. JASEY**

**District 27 (Essex and Morris)**

**Assemblyman TROY SINGLETON**

**District 7 (Burlington)**

**Assemblywoman VALERIE VAINIERI HUTTLE**

**District 37 (Bergen)**

**Assemblywoman ANNETTE QUIJANO**

**District 20 (Union)**

**Co-Sponsored by:**

**Assemblymen Schaer, Diegnan, Assemblywoman Casagrande,**

**Assemblyman Giblin, Assemblywoman Wagner, Assemblyman Eustace,**

**Assemblywoman Caride, Assemblymen O'Scanlon, Caputo,**

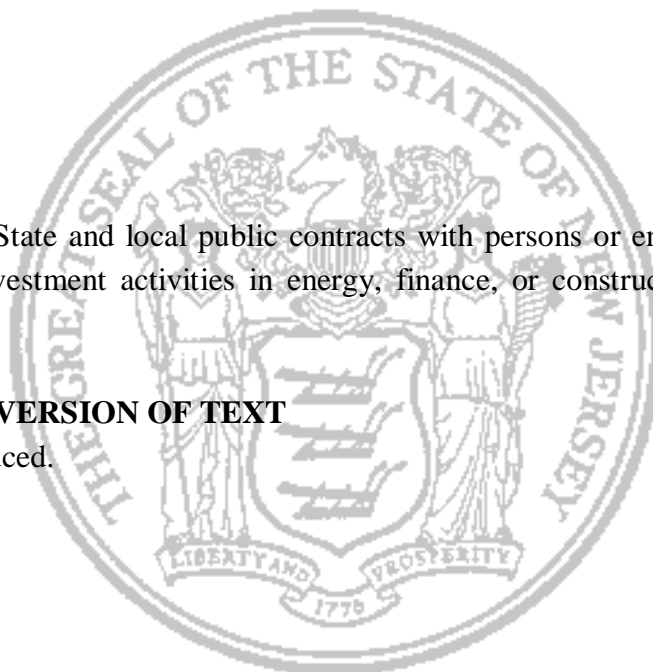
**Assemblywomen N.Munoz, Schepisi, Simon and Handlin**

**SYNOPSIS**

Prohibits State and local public contracts with persons or entities engaging in certain investment activities in energy, finance, or construction sectors of Iran.

**CURRENT VERSION OF TEXT**

As introduced.



(Sponsorship Updated As Of: 6/15/2012)

1 AN ACT concerning public contracts and supplementing various  
2 parts of the statutory law.

3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
5 *of New Jersey:*

6

7 1. The Legislature finds and declares that:

8 a. In imposing sanctions on Iran, the United States Congress  
9 and the President of the United States have determined that the  
10 illicit nuclear activities of Iran, combined with its development of  
11 unconventional weapons and ballistic missiles, and its support of  
12 international terrorism, represent a serious threat to the security of  
13 the United States and its allies around the world.

14 b. The International Atomic Energy Agency has repeatedly  
15 called attention to Iran's unlawful nuclear activities, and as a result,  
16 the United Nations Security Council has adopted four rounds of  
17 sanctions designed to compel the Government of Iran to cease those  
18 activities and comply with its obligations under the Treaty on the  
19 Non-Proliferation of Nuclear Weapons, commonly known as the  
20 Nuclear Non-Proliferation Treaty.

21 c. The human rights situation in Iran has steadily deteriorated  
22 since the fraudulent elections of 2009, as evidenced by the brutal  
23 repression, torture, murder and arbitrary detention of peaceful  
24 protestors, dissidents and minorities.

25 d. On July 1, 2010, President Obama signed into law the  
26 Comprehensive Iran Sanctions, Accountability, and Investment Act  
27 of 2010, which expressly authorizes states and local governments to  
28 prevent investment in, including prohibiting entry into or renewing  
29 contracts with, companies operating in Iran and includes provisions  
30 that preclude companies that do business in Iran from contracting  
31 with the U.S. Government.

32 e. It is the intention of the Legislature to implement this  
33 authority granted under Section 202 of the Comprehensive Iran  
34 Sanctions, Accountability, and Divestment Act of 2010.

35 f. There are moral and reputational reasons for state and local  
36 governments to not engage in business with foreign companies that  
37 have business activities benefiting foreign states, such as Iran, that  
38 pursue illegal nuclear programs, support acts of terrorism and  
39 commit violations of human rights.

40 g. Short-term economic profits cannot be a justification to  
41 circumvent even in spirit those international sanctions designed to  
42 thwart Iran from developing nuclear weapons.

43 h. The concerns of this Legislature regarding Iran are strictly  
44 the result of the actions of the government of Iran and should not be  
45 construed as enmity toward the Iranian people.

46

47 2. As used in this act:

- 1 a. "State agency" means any of the principal departments in the  
2 Executive Branch of the State government, and any division, board,  
3 bureau, office, commission or other instrumentality within or  
4 created by such department, the Legislature of the State and any  
5 office, board, bureau or commission within or created by the  
6 Legislative Branch, and any independent State authority,  
7 commission, instrumentality or agency which is authorized by law  
8 to award public contracts.
- 9 b. "Energy sector" of Iran means activities to develop, invest  
10 in, explore for, refine, transfer, purchase or sell petroleum, gasoline,  
11 or other refined petroleum products, or natural gas, liquefied natural  
12 gas resources or nuclear power in Iran.
- 13 c. "Financial institution" means the term as used in Section 14  
14 of the Iran Sanctions Act of 1996, Section 14 of Pub.L.104-172 (50  
15 U.S.C. 1701 note).
- 16 d. "Construction sector" of Iran means activities to plan,  
17 design, engineer, build, construct or finance projects and  
18 investments related to development of Iranian infrastructure,  
19 including infrastructure related to Iran's oil and gas or nuclear  
20 power industry.
- 21 e. "Iran" means the government of Iran, and includes the  
22 territory of Iran and any other territory or marine area, including the  
23 exclusive economic zone and continental shelf, over which the  
24 government of Iran claims sovereignty, sovereign rights, or  
25 jurisdiction, provided that the government of Iran exercises partial  
26 or total control over the area or derives a benefit from economic  
27 activity in the area pursuant to international arrangements.
- 28 f. "Person or entity" means any of the following:
- 29 (1) A natural person, corporation, company, limited partnership,  
30 limited liability partnership, limited liability company, business  
31 association, sole proprietorship, joint venture, partnership, society,  
32 trust, or any other nongovernmental entity, organization, or group.
- 33 (2) Any governmental entity or instrumentality of a government,  
34 including a multilateral development institution, as defined in  
35 Section 1701(c)(3) of the International Financial Institutions Act,  
36 22 U.S.C. 262r(c)(3).
- 37 (3) Any parent, successor, subunit, direct or indirect subsidiary,  
38 or any entity under common ownership or control with, any entity  
39 described in paragraphs (1) or (2).
- 40 g. For the purposes of this act, a person engages in investment  
41 activities in Iran if any of the following is true. The person or  
42 entity:
- 43 (1) Provides goods or services in or to the energy, financial or  
44 construction sectors of Iran.
- 45 (2) Provides oil or liquefied natural gas tankers, or products  
46 used to construct or maintain pipelines used to transport oil or  
47 liquefied natural gas for the energy sector of Iran.

1 (3) Purchases crude oil, refined petroleum products or natural  
2 gas from Iran.

3 (4) Provides goods or services, or payment for goods or  
4 services, to a person or entity on the Specially Designated Nationals  
5 List (SDN) of the U.S. Office of Foreign Assets Control (OFAC)  
6 for Iran or to a non-country specific person or entity placed on the  
7 SDN for violation of OFAC Iran sanctions.

8 (5) Transfers, or facilitates the transfer of, goods or technologies  
9 to Iran, or provides services to Iran including through joint ventures  
10 or licensing of any intellectual property with respect to goods or  
11 technologies described below:

12 (a) firearms or ammunition as those terms are defined in 18  
13 U.S.C. § 921, accessories for firearms, rubber bullets, clubs, batons,  
14 police sticks, mace, stun grenades, tasers or other electroshock  
15 weapons, tear gas, water cannons, motorcycles, motorized transport  
16 for security personnel or surveillance technology;

17 (b) sensitive technology as defined in section 106(c) of the  
18 Comprehensive Iran Sanctions, Accountability, and Divestment Act  
19 of 2010, 22 U.S.C. 8515(c); and

20 (c) other goods or technologies that the State agency determines  
21 may have or may be used by Iran to commit human rights abuses  
22 against the people of Iran whether or not such goods or technologies  
23 are sold directly to Iran or otherwise.

24 (6) Is a financial, insurance or other institution that extends  
25 credit to a person or entity that engages in investment activities  
26 described in this section and is identified on a list created pursuant  
27 to subsection b. of section 3 as a person or entity engaging in  
28 investment activities in Iran.

29  
30 3. a. A person or entity that, at the time of bid or proposal for a  
31 new contract or renewal of an existing contract, is identified on a  
32 list created pursuant to subsection b. of this section as a person or  
33 entity engaging in investment activities in Iran as described in  
34 subsection g. of section 2 of this act, shall be ineligible to, and shall  
35 not, bid on, submit a proposal for, or enter into or renew, a contract  
36 with a State agency for goods or services.

37 b. Within 30 days of the effective date of this act, the  
38 Department of Treasury shall, using credible information available  
39 to the public, develop a list of persons or entities it determines  
40 engage in investment activities in Iran as described in subsection g.  
41 of section 2.

42 c. The department shall update the list every 90 days.

43 d. Before finalizing an initial list pursuant to subsection b. of  
44 this section or an updated list pursuant to subsection c. of this  
45 section, the department shall do the following before a person or  
46 entity is included on the list:

47 (1) Provide 30 days written notice of its intent to include the  
48 person or entity on the list. The notice shall inform the person or

1 entity that inclusion on the list would make the person or entity  
2 ineligible to bid on, submit a proposal for, or enter into or renew, a  
3 contract for goods or services with a State agency; and

4 (2) Provide a person or entity with an opportunity to comment in  
5 writing that it is not engaged in investment activities in Iran. If the  
6 person or entity demonstrates to the department that the person or  
7 entity is not engaged in investment activities in Iran as described in  
8 subsection g. of section 2 of this act, the person or entity shall not  
9 be included on the list, unless the person or entity is otherwise  
10 ineligible to bid on a contract as described in paragraph (3) of  
11 subsection a. of section 5 of this act.

12 (3) The department shall make every effort to avoid erroneously  
13 including a person or entity on the list.

14

15 4. a. A State agency shall require a person or entity that  
16 submits a bid or proposal or otherwise proposes to enter into or  
17 renew a contract to certify, at the time the bid is submitted or the  
18 contract is renewed, that the person or entity is not identified on a  
19 list created pursuant to subsection b. of section 3 of this act as a  
20 person or entity engaging in investment activities in Iran described  
21 in subsection g. of section 2 of this act.

22 b. The certification required shall be executed on behalf of the  
23 applicable person or entity by an authorized officer or  
24 representative of the person or entity.

25 c. In the event that a person or entity is unable to make the  
26 certification required because it or one of its parents, subsidiaries,  
27 or affiliates as defined in subdivision f. of section 2 of this act has  
28 engaged in one or more of the activities specified in subsection g. of  
29 section 2 of this act, the person or entity shall provide to the State  
30 agency concerned, prior to the deadline for delivery of such  
31 certification, a detailed and precise description of such activities,  
32 such description to be provided under penalty of perjury.

33 d. The certifications provided under subsection a. of this  
34 section and disclosures provided under subsection c. of this section  
35 shall be disclosed to the public.

36

37 5. a. If the department determines, using credible information  
38 available to the public and after providing 30 days written notice  
39 and an opportunity to comment in writing for the person or entity to  
40 demonstrate that it is not engaged in investment activities in Iran,  
41 that the person or entity has submitted a false certification pursuant  
42 to section 4 of this act, and the person or entity fails to demonstrate  
43 to the department that the person or entity has ceased its  
44 engagement in the investment activities in Iran within 30 days after  
45 the determination of a false certification, the following shall apply:

46 (1) Pursuant to an action under subsection b. of this section, a  
47 civil penalty in an amount that is equal to the greater of \$1,000,000



1 or twice the amount of the contract for which the false certification  
2 was made.

3 (2) Termination of an existing contract with the State agency as  
4 deemed appropriate by the State agency.

5 (3) Ineligibility to bid on a contract for a period of three years  
6 from the date of the determination that the person or entity  
7 submitted the false certification.

8 b. The department shall report to the Attorney General the  
9 name of the person or entity that the State agency determines has  
10 submitted a false certification under section 4 of this act, together  
11 with its information as to the false certification, and the Attorney  
12 General shall determine whether to bring a civil action against the  
13 person or entity to collect the penalty described in paragraph (1) of  
14 subsection a. of this section.

15 Only one civil action against the person or entity to collect the  
16 penalty described in paragraph (1) of subsection a. of this section  
17 may be brought for a false certification on a contract. A civil action  
18 to collect such penalty shall commence within three years from the  
19 date the certification is made.

20

21 6. The Governor shall submit to the Attorney General of the  
22 United States a written notice describing this act within 30 days  
23 after its effective date.

24

25 7. a. A local contracting unit as defined in and subject to the  
26 provisions of the "Local Public Contracts Law," P.L.1971, c.198  
27 (C.40A:11-1 et seq.), shall implement and comply with the  
28 provisions of P.L. , c. (C. )(pending before the Legislature as  
29 this bill), except that the contracting unit shall rely on the list  
30 developed by the State Department of the Treasury pursuant to  
31 section 3 of P.L. , c. (C. )(pending before the Legislature as  
32 this bill).

33 b. If the local contracting unit determines that a person or  
34 entity has submitted a false certification concerning its engagement  
35 in investment activities in Iran pursuant to section 4 of P.L. , c.  
36 (C. )(pending before the Legislature as this bill), the local  
37 contracting unit shall report to the Attorney General the name of  
38 that person or entity, and the Attorney General shall determine  
39 whether to bring a civil action against the person to collect the  
40 penalty prescribed in paragraph (1) of subsection a. of section 5 of  
41 P.L. , c. (C. )(pending before the Legislature as this bill). The  
42 local contracting unit may also report to the municipal attorney or  
43 county counsel, as appropriate, the name of that person, together  
44 with its information as to the false certification, and the municipal  
45 attorney or county counsel, as appropriate, may determine to bring  
46 such civil action against the person to collect such penalty.

1       8. a. A board of education as defined in and subject to the  
2 provisions of the "Public School Contracts Law," P.L.1977, c.114  
3 (N.J.S.18A:18A-1 et seq.), shall implement and comply with the  
4 provisions of P.L.     , c. (C. ) (pending before the Legislature as  
5 this bill), except that the board shall rely on the list developed by  
6 the State Department of the Treasury pursuant to section 3 of  
7 P.L.     , c. (C. ) (pending before the Legislature as this bill).

8       b. If the board determines that a person or entity has submitted a  
9 false certification concerning its engagement in investment  
10 activities in Iran under section 4 of P.L.     , c. (C. ) (pending  
11 before the Legislature as this bill), the board shall report to the  
12 Attorney General the name of that person or entity, and the  
13 Attorney General shall determine whether to bring a civil action  
14 against the person to collect the penalty prescribed in paragraph (1)  
15 of subsection a. of section 5 of P.L.     , c. (C. ) (pending before  
16 the Legislature as this bill).

17       The board may also report to the board's attorney the name of  
18 that person, together with its information as to the false  
19 certification, and the board's attorney may determine to bring such  
20 civil action against the person to collect such penalty.

21

22       9. a. A county college as defined in and subject to the  
23 provisions of the "County College Contracts Law," P.L.1982, c.189  
24 (C.18A:64A-25.1 et seq.), shall implement and comply with the  
25 provisions of P.L.     , c. (C. ) (pending before the Legislature as  
26 this bill), except that the county college shall rely on the list  
27 developed by the State Department of the Treasury pursuant to  
28 section 3 of P.L.     , c. (C. ) (pending before the Legislature as  
29 this bill).

30       b. If the county college determines that a person or entity has  
31 submitted a false certification concerning its engagement in  
32 investment activities in Iran pursuant to section 4 of P.L.     , c.  
33 (C. ) (pending before the Legislature as this bill), the county  
34 college shall report to the Attorney General the name of that person,  
35 and the Attorney General shall determine whether to bring a civil  
36 action against the person or entity to collect the penalty prescribed  
37 in paragraph (1) of subsection a. of section 5 of P.L.     , c. (C. )  
38 (pending before the Legislature as this bill).

39       The county college may also report to the county college  
40 attorney the name of that person, together with its information as to  
41 the false certification, and the county college attorney may  
42 determine to bring such civil action against the person to collect  
43 such penalty.

44

45       10. This act shall take effect immediately but shall apply to  
46 contracts awarded or renewed commencing 30 days after the  
47 effective date of this act.

## STATEMENT

1

2

3 This bill prohibits public contracts by the State, a local  
4 contracting unit, a board of education, and a county college with  
5 persons or entities engaged in certain investment activities in the  
6 energy, financial or construction sectors of Iran, and implements the  
7 authority granted under federal law to the states and to local  
8 governments pursuant to the Comprehensive Iran Sanctions,  
9 Accountability, and Divestment Act of 2010, Public Law 111-195,  
10 signed into law by President Obama on July 1, 2010. The purpose  
11 of the bill is to support the policy of the United States to deny Iran  
12 the ability to support acts of international terrorism or to fund the  
13 development and acquisition of weapons of mass destruction and  
14 the means to deliver them by limiting Iran's ability to develop  
15 petroleum or natural gas resources or nuclear power in Iran.

16 Under the bill, a State agency must require a person or entity that  
17 submits a bid or proposal or otherwise proposes to enter into or  
18 renew a contract to certify that the person or entity is not identified  
19 on a list to be developed by the State Department of the Treasury of  
20 persons or entities engaging in certain investment activities in Iran.

21 The bill provides that a person or entity engages in investment  
22 activities in Iran if any of the following is true. The person or  
23 entity: (1) provides goods or services in or to the energy, finance or  
24 construction sectors of Iran; (2) provides oil or liquefied natural gas  
25 tankers, or products used to construct or maintain pipelines used to  
26 transport oil or liquefied natural gas for the energy sector of Iran;  
27 (3) purchases crude oil, refined petroleum products or natural gas  
28 from Iran; (4) provides goods or services, or payment for goods or  
29 services, to a person or entity on the U.S. Office of Foreign Assets  
30 Control's (OFAC) Specially Designated Nationals List (SDN) for  
31 Iran or to a non-country specific person or entity placed on the SDN  
32 for violation of OFAC Iran Sanctions; (5) transfers, or facilitates the  
33 transfer of, goods or technologies to Iran; or provides services to  
34 Iran including through joint ventures or licensing of any intellectual  
35 property with respect to goods or technologies as described in the  
36 bill; or (6) is a financial, insurance or other institution that extends  
37 credit to a person or entity that engages in investment activities  
38 described in paragraphs (1) through (5) and is identified on a list  
39 created by the department as a person or entity engaging in  
40 investment activities in Iran.

41 Within 30 days of the enactment of the bill, the department must  
42 develop a list of persons or entities the department determines  
43 engage in investment activities in Iran as described in the bill. The  
44 department must update this list every 90 days. Before finalizing  
45 the list, the department must provide 30 days' written notice of its  
46 intent to include the person or entity on the list, and provide the  
47 person or entity with an opportunity to comment in writing. Upon a  
48 successful demonstration to the department that the person is not

1 engaged in investment activities in Iran, the person will not be  
2 included on the list and will be eligible to contract with the State  
3 agency.

4 If the department determines that a person has submitted a false  
5 certification concerning its engagement in investment activities in  
6 Iran and has failed to demonstrate to the department that the person  
7 has ceased its engagement within 30 days after the department's  
8 determination, the department must report the information  
9 pertaining to the false certification to the Attorney General who will  
10 determine whether to bring a civil action against the person or  
11 entity to collect the penalty set forth in the bill, which must be the  
12 greater of \$1,000,000 or twice the amount of the contract. The  
13 existing contract will be terminated, if the State agency deems it  
14 appropriate, and the person or entity will be ineligible to bid on a  
15 contract for a period of three years from the date of the  
16 department's determination.

17 Only one civil action against the person or entity to collect the  
18 penalty described in the bill may be brought for a false certification  
19 on a contract. A civil action to collect such penalty must commence  
20 within three years from the date the certification is made.

21 A local contracting unit, board of education or county college,  
22 subject to the provisions of the "Local Public Contracts Law,"  
23 P.L.1971, c.198 (C.40A:11-1 et seq.), the "Public School Contracts  
24 Law," N.J.S.18A:18A-1 et seq., or the "County College Contracts  
25 Law," P.L.1982, c.189 (C.18A:64A-25.1 et seq.), respectively, must  
26 implement and comply with the provisions of the bill and must use  
27 the list developed by the department concerning persons or entities  
28 determined to be engaged in investment activities in Iran.

29 The Governor must submit to the Attorney General of the United  
30 States a written notice describing the act within 30 days after its  
31 effective date.

# ASSEMBLY STATE GOVERNMENT COMMITTEE

## STATEMENT TO

### **ASSEMBLY, No. 2146**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: JUNE 14, 2012

The Assembly State Government Committee reports favorably and with committee amendments Assembly Bill No. 2146.

As amended, this bill prohibits public contracts by the State, a local contracting unit, a board of education, and a county college with persons or entities engaged in certain investment activities in the energy and financial sectors of Iran, and implements the authority granted under federal law to the states and to local governments pursuant to the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, Public Law 111-195, signed into law by President Obama on July 1, 2010. The purpose of the bill is to support the policy of the United States to deny Iran the ability to support acts of international terrorism or to fund the development and acquisition of weapons of mass destruction and the means to deliver them by limiting Iran's ability to develop petroleum or natural gas resources or nuclear power in Iran.

Under the bill, a State agency must require a person or entity that submits a bid or proposal or otherwise proposes to enter into or renew a contract to certify that the person or entity is not identified on a list to be developed by the State's Department of the Treasury of persons or entities engaging in certain investment activities in Iran.

The bill provides that a person or entity engages in investment activities in Iran if the person or entity:

provides goods or services of \$20,000,000 or more in the energy sector of Iran, including a person that provides oil or liquefied natural gas tankers, or products used to construct or maintain pipelines used to transport oil or liquefied natural gas, for the energy sector of Iran; or

is a financial institution that extends \$20,000,000 or more in credit to another person, for 45 days or more, if that person will use the credit to provide goods or services in the energy sector in Iran and is identified on a list created pursuant to the bill as a person engaging in investment activities in Iran.

Within 90 days of the enactment of the bill, the department must develop a list of persons or entities the department determines engage in investment activities in Iran as described in the bill. The department must update this list every 180 days. Before finalizing the list, the

department must provide 90 days' written notice of its intent to include the person or entity on the list, and provide the person or entity with an opportunity to comment in writing. Upon a successful demonstration to the department that the person is not engaged in investment activities in Iran, the person will not be included on the list and will be eligible to contract with the State agency.

If the department determines that a person has submitted a false certification concerning its engagement in investment activities in Iran and has failed to demonstrate to the department that the person has ceased its engagement within 90 days after the department's determination, the department must report the information pertaining to the false certification to the Attorney General who will determine whether to bring a civil action against the person or entity to collect the penalty set forth in the bill, which must be the greater of \$1,000,000 or twice the amount of the contract. The existing contract will be terminated, if the State agency deems it appropriate, and the person or entity will be ineligible to bid on a contract for a period of three years from the date of the department's determination.

Only one civil action against the person or entity to collect the penalty described in the bill may be brought for a false certification on a contract. A civil action to collect such penalty must commence within three years from the date the certification is made.

A local contracting unit, board of education or county college, subject to the provisions of the "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.), the "Public School Contracts Law," N.J.S.18A:18A-1 et seq., or the "County College Contracts Law," P.L.1982, c.189 (C.18A:64A-25.1 et seq.), respectively, must implement and comply with the provisions of the bill and must use the list developed by the department concerning persons or entities determined to be engaged in investment activities in Iran.

The Governor must submit to the Attorney General of the United States a written notice describing the act within 30 days after its effective date.

Assembly Bill No. 2146 (1R) is identical to Senate Bill No. 1304 (1R) of 2012.

#### COMMITTEE AMENDMENTS:

The committee amended the bill to:

ensure that the bill's provisions regarding investment activities are within the scope of the authority delegated to the states by section 202 of the federal Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010;

increase the period of time that the State's Department of the Treasury has to develop a list of persons or entities engaged in investment activities in Iran from 30 days to 90 days and require the department to update the list every 180 days instead of every 90 days;

provide that the department must provide 90 days notice instead of 30 days notice to a person or entity that it intends to include on the list of persons or entities engaged in investment activities in Iran;

provide that a person or entity that is determined by the department to have submitted a false certification will have 90 days instead of 30 days to demonstrate that it has ceased its engagement in investment activities in Iran; and

clarify that references in the bill to “Attorney General” mean the “New Jersey Attorney General.”