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end

§§1,7-9  
C.52:32-60.1 to  
52:32-60.4  
§2  
C.40A:11-2.2  
§3  
C.18A:18A-49.5  
§4  
C.18A:64-85.1  
§5  
C.18A:64A-25.44  
§6  
C.52:18A-89.16  
§9  
Note  
§10  
Note

P.L. 2022, CHAPTER 3, *approved March 9, 2022*  
Senate, No. 1889 (*Second Reprint*)

1 **AN ACT** prohibiting government dealings with businesses associated  
2 with Belarus or Russia, supplementing Title 52 of the New  
3 Jersey Statutes.

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

7  
8 1. a. A person that is identified on a list created pursuant to  
9 subsection b. of this section as a person that has been determined to  
10 engage in <sup>2</sup>**[investment]** prohibited<sup>2</sup> activities in Russia or Belarus  
11 shall be ineligible to and shall not:

12 (1) <sup>2</sup>**[bid on, submit a proposal for,]**<sup>2</sup> enter into <sup>2</sup>**[,]**<sup>2</sup> or renew a  
13 contract with a State agency for the provision of goods or services  
14 <sup>1</sup>or the purchase of bonds or other obligations<sup>1</sup>;

15 (2) file or renew a Public Works Contractor Registration with  
16 the Department of Labor and Workforce Development;

17 (3) <sup>2</sup>be approved for or continue to<sup>2</sup> receive an economic  
18 development subsidy from the Economic Development Authority in  
19 but not of the Department of the Treasury, be awarded a municipal  
20 property tax abatement, or make or enter into a payment in-lieu of  
21 property tax agreement;

22 (4) apply for or receive a tax clearance certificate from the  
23 Director of the Division of Taxation in the Department of the  
24 Treasury;

**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 SBA committee amendments adopted February 28, 2022.

<sup>2</sup>Senate floor amendments adopted March 7, 2022.

1 (5) be certified by the Department of Community Affairs as an  
2 urban renewal entity for purposes of the "Long Term Tax  
3 Exemption Law," P.L.1991, c.431 (C.40A:20-1 et seq.); and

4 (6) be designated as a redeveloper by a public agency for the  
5 purpose of planning, replanning, construction, or undertaking of any  
6 project or redevelopment work in accordance with the "Local  
7 Redevelopment and Housing Law," P.L.1992, c.79 (C.40A:12A-1 et  
8 seq.).

9 b. <sup>2</sup>~~Within 30 days of~~ Immediately upon<sup>2</sup> the effective date  
10 of this section, the Department of the Treasury shall, using credible  
11 information available to the public, <sup>2</sup>~~develop~~ begin developing<sup>2</sup> a  
12 list of persons it determines engage in <sup>2</sup>~~investment~~ prohibited<sup>2</sup>  
13 activities in Russia or Belarus. <sup>2</sup>The department is authorized to  
14 consult an independent research firm that specializes in global  
15 security risk for portfolio determinations, as selected by the State  
16 Treasurer, to develop the list.<sup>2</sup> The department shall update the list  
17 <sup>2</sup>on a rolling basis. Beginning after the 91st day next following the  
18 date of enactment of this section, the department shall be required  
19 to update the list at least<sup>2</sup> every <sup>1</sup>~~60 days~~ six months<sup>1</sup> <sup>2</sup>~~after the~~  
20 publication of an initial list<sup>2</sup>. Before including a person or entity  
21 on the initial list or an updated list, the department shall:

22 (1) provide notice of its intent to include the person on the list.  
23 The notice shall inform the person that inclusion on the list would  
24 make the person ineligible to engage in any of the enumerated  
25 activities specified by subsection a. of this section; and

26 (2) provide a person with an opportunity to comment in writing  
27 that the person is not engaged in <sup>2</sup>~~investment~~ prohibited<sup>2</sup>  
28 activities in Russia or Belarus. If the person demonstrates to the  
29 department that the person is not engaged in <sup>2</sup>~~investment~~  
30 prohibited<sup>2</sup> activities in Russia or Belarus, the person or entity shall  
31 not be included on the list.

32 c. A State agency <sup>2</sup>or local unit, as applicable<sup>2</sup> shall require a  
33 person seeking to engage in any of the enumerated activities  
34 specified by subsection a. of this section to certify <sup>1</sup>, before the  
35 contract is awarded, renewed, <sup>2</sup>amended, <sup>2</sup>or extended,<sup>1</sup> <sup>2</sup>, or before  
36 applying for certification as an urban renewal entity or designation  
37 as a redeveloper<sup>2</sup> that the person is not identified on a list created  
38 pursuant to this section as a person engaging in <sup>2</sup>~~investment~~  
39 prohibited<sup>2</sup> activities in Russia or Belarus. The certification  
40 required shall be executed on behalf of the applicable person by an  
41 authorized officer or representative of the person. If a person is  
42 unable to make the certification required because the person or one  
43 of the person's parents, subsidiaries, or affiliates has engaged in  
44 <sup>2</sup>~~investment~~ prohibited<sup>2</sup> activity in Russia or Belarus, the person  
45 shall provide to the State agency or local unit of government  
46 concerned, prior to the deadline for delivery of such certification, a

1 detailed and precise description of such activities, such description  
2 to be provided under penalty of perjury. The certifications provided  
3 under this section and disclosures provided under this section shall  
4 be disclosed to the public.

5 d. (1) If the department determines, using credible information  
6 available to the public and after providing notice and an opportunity  
7 to comment in writing for the person to demonstrate that it is not  
8 engaged in <sup>2</sup>[investment] prohibited<sup>2</sup> activities in Russia or  
9 Belarus, that the person or entity has submitted a false certification  
10 pursuant to this section, and the person fails to demonstrate to the  
11 department that the person has ceased its engagement in the  
12 <sup>2</sup>[investment] prohibited<sup>2</sup> activities in Russia or Belarus within 90  
13 days after the determination of a false certification, the following  
14 shall apply:

15 (a) pursuant to an action under paragraph (2) of this subsection,  
16 a civil penalty in an amount that is equal to the greater of  
17 \$1,000,000 or twice the amount of the bid or application listed in  
18 subsection a. of this section for which the false certification was  
19 made.

20 (b) termination of an existing contract, registration, economic  
21 development subsidy, tax abatement, payment in-lieu of property  
22 tax agreement, certification, or designation as deemed appropriate  
23 by the issuing agency <sup>1</sup>or the application process for any of the  
24 foregoing<sup>1</sup>.

25 (c) ineligibility to engage in any of the enumerated activities  
26 specified by subsection a. of this section for a period of three years  
27 from the date of the determination that the person submitted the  
28 false certification <sup>2</sup>, provided that the person has ceased its  
29 engagement in the prohibited activities in Russia or Belarus<sup>2</sup>.

30 (2) The department shall report to the Attorney General the  
31 name of the person that the State agency determines has submitted a  
32 false certification under this section, together with its information  
33 as to the false certification, and the Attorney General shall  
34 determine whether to bring a civil action against the person to  
35 collect the penalty described in this subsection. Only one civil  
36 action against the person to collect the penalty described in this  
37 subsection may be brought for a false certification on a bid or  
38 application listed in subsection a. of this section. A civil action to  
39 collect such penalty shall commence within three years from the  
40 date the certification is made.

41 e. For purposes of this section:

42 "Economic development subsidy" means the provision of an  
43 amount of funds to a recipient with a value of greater than \$25,000  
44 for the purpose of stimulating economic development in New  
45 Jersey, including, but not limited to, any <sup>2</sup>investment,<sup>2</sup> bond, grant,  
46 loan, loan guarantee, matching fund, tax credit, or other tax  
47 expenditure.

1       <sup>2</sup>[<sup>1</sup>“Engaged in investment activities in Russia or Belarus”  
2 means investing directly in companies owned or controlled by the  
3 government of Russia or Belarus or an instrumentality of the  
4 government of Russia or Belarus or engaged in business in or with  
5 either of those governments or its instrumentalities.] “Engaged in  
6 prohibited activities in Russia or Belarus” means (1) companies in  
7 which the Government of Russia or Belarus has any direct equity  
8 share; (2) having any business operations commencing after the  
9 effective date of this act that involve contracts with or the provision  
10 of goods or services to the Government of Russia or Belarus; (3)  
11 being headquartered in Russia or having its principal place of  
12 business in Russia or Belarus, or (4) supporting, assisting or  
13 facilitating the Government of Russia or Belarus in their campaigns  
14 to invade the sovereign country of Ukraine, either through in-kind  
15 support or for profit.<sup>2</sup>

16       “Person or entity” means any of the following:

17       (1) A natural person, corporation, company, limited partnership,  
18 limited liability partnership, limited liability company, business  
19 association, sole proprietorship, joint venture, partnership, society,  
20 trust, or any other nongovernmental entity, organization, or group;

21       (2) Any governmental entity or instrumentality of a government,  
22 including a multilateral development institution, as defined in  
23 Section 1701(c)(3) of the International Financial Institutions Act,  
24 22 U.S.C. 262r(c)(3); or

25       (3) Any parent, successor, subunit, direct or indirect subsidiary,  
26 or any entity under common ownership or control with, any entity  
27 described in paragraph (1) or (2).<sup>1</sup>

28       “Russia” and “Belarus” mean, respectively, the governments of  
29 Russia and Belarus, and include the territories of those nations and  
30 any other territory or marine area <sup>2</sup>[, including the exclusive  
31 economic zone and continental shelf, over which either government  
32 claims sovereignty, sovereign rights, or jurisdiction, provided that  
33 the government exercises partial or total control over the area or  
34 derives a benefit from economic activity in the area pursuant to  
35 international arrangements] that are recognized by the United  
36 States as part of either country.<sup>2</sup>

37       “State agency” means any of the principal departments in the  
38 Executive Branch of the State government, and any division, board,  
39 bureau, office, commission or other instrumentality within or  
40 created by such department; the Legislature of the State and any  
41 office, board, bureau or commission within or created by the  
42 Legislative Branch; and any independent State authority,  
43 commission, instrumentality or agency that is authorized by law to  
44 award public contracts. “State agency” shall also include a public  
45 research university that is not a State college subject to the  
46 provisions of the "State College Contracts Law," P.L.1986, c.43  
47 (C.18A:64-52 et seq.).

1       2. a. A local contracting unit as defined in and subject to the  
2 provisions of the “Local Public Contracts Law,” P.L.1971, c.198  
3 (C.40A:11-1 et seq.), shall implement and comply with the  
4 provisions of P.L. , c. (C. ) (pending before the Legislature  
5 as this bill), except that the contracting unit shall rely on the list  
6 developed by the Department of the Treasury pursuant to subsection  
7 b. of section 1 of P.L. , c. (C. ) (pending before the  
8 Legislature as this bill).

9       b. If the local contracting unit determines that a person has  
10 submitted a false certification concerning its engagement in  
11 <sup>2</sup>**[investment] prohibited<sup>2</sup>** activities in Russia or Belarus pursuant  
12 to section 1 of P.L. , c. (C. ) (pending before the Legislature  
13 as this bill), the local contracting unit shall report to the New Jersey  
14 Attorney General the name of that person or entity, and the  
15 Attorney General shall determine whether to bring a civil action  
16 against the person to collect the penalty prescribed in subsection c.  
17 of section 1 of P.L. , c. (C. ) (pending before the  
18 Legislature as this bill).

19       c. The local contracting unit may also report to the municipal  
20 attorney or county counsel, as appropriate, the name of that person,  
21 together with its information as to the false certification, and the  
22 municipal attorney or county counsel, as appropriate, may  
23 determine to bring such civil action against the person to collect  
24 such penalty.

25  
26       3. a. A board of education as defined in and subject to the  
27 provisions of the "Public School Contracts Law," P.L.1977, c.114  
28 (N.J.S.18A:18A-1 et seq.), shall implement and comply with the  
29 provisions of P.L. , c. (C. ) (pending before the Legislature  
30 as this bill), except that the board shall rely on the list developed by  
31 the Department of the Treasury pursuant to subsection b. of section  
32 1 of P.L. , c. (C. ) (pending before the Legislature as this  
33 bill).

34       b. If the board determines that a person or entity has submitted  
35 a false certification concerning its engagement in <sup>2</sup>**[investment]**  
36 **prohibited<sup>2</sup>** activities in Russia or Belarus pursuant to section 1 of  
37 P.L. , c. (C. ) (pending before the Legislature as this bill), the  
38 board shall report to the New Jersey Attorney General the name of  
39 that person, and the Attorney General shall determine whether to  
40 bring a civil action against the person to collect the penalty  
41 prescribed in subsection c. of section 1 of P.L. , c. (C. )  
42 (pending before the Legislature as this bill).

43       c. The board may also report to the board’s attorney the name  
44 of that person, together with its information as to the false  
45 certification, and the board’s attorney may determine to bring such  
46 civil action against the person to collect such penalty.

1       4. a. A State college as defined in and subject to the provisions  
2 of the "State College Contracts Law," P.L.1986, c.43 (C.18A:64-52  
3 et seq.), shall implement and comply with the provisions of  
4 P.L. , c. (C. ) (pending before the Legislature as this bill),  
5 except that the State college shall rely on the list developed by the  
6 Department of the Treasury pursuant to subsection b. of section 1 of  
7 P.L. , c. (C. ) (pending before the Legislature as this bill).

8       b. If the State college determines that a person has submitted a  
9 false certification concerning its engagement in <sup>2</sup>**[investment]**  
10 prohibited<sup>2</sup> activities in Russia or Belarus pursuant to section 1 of  
11 P.L. , c. (C. ) (pending before the Legislature as this bill), the  
12 State college shall report to the New Jersey Attorney General the  
13 name of that person, and the Attorney General shall determine  
14 whether to bring a civil action against the person to collect the  
15 penalty prescribed in subsection c. of section 1 of  
16 P.L. , c. (C. ) (pending before the Legislature as this bill).

17       c. The State college may also report to the State college  
18 attorney the name of that person, together with its information as to  
19 the false certification, and the State college attorney may determine  
20 to bring such civil action against the person to collect such penalty.  
21

22       5. 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  
26 as this bill), except that the county college shall rely on the list  
27 developed by the Department of the Treasury pursuant to subsection  
28 b. of section 1 of P.L. , c. (C. ) (pending before the  
29 Legislature as this bill).

30       b. If the county college determines that a person has submitted  
31 a false certification concerning its engagement in <sup>2</sup>**[investment]**  
32 prohibited<sup>2</sup> activities in Russia or Belarus pursuant to section 1 of  
33 P.L. , c. (C. ) (pending before the Legislature as this bill), the  
34 county college shall report to the New Jersey Attorney General the  
35 name of that person, and the Attorney General shall determine  
36 whether to bring a civil action against the person or entity to collect  
37 the penalty prescribed in subsection c. of section 1 of  
38 P.L. , c. (C. ) (pending before the Legislature as this bill).

39       c. 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       6. a. Notwithstanding any provision of law to the contrary,  
46 <sup>1</sup>except section 11 of P.L.1950 c.270 (C.52:18A-89), as amended,<sup>1</sup>  
47 no assets of any pension or annuity fund under the jurisdiction of



1 the Division of Investment in the Department of the Treasury, or its  
 2 successor, shall be invested <sup>1</sup>directly<sup>1</sup> in a company <sup>2</sup>~~["~~<sup>1</sup>with an  
 3 equity tie to~~"]~~ owned or controlled by<sup>1</sup> the government of Russia or  
 4 Belarus, or an instrumentality of the government of Russia or  
 5 Belarus, <sup>1</sup>~~["and"]~~ <sup>1</sup>or<sup>1</sup> is engaged in business in or with either of those  
 6 governments or its instrumentalities. This prohibition shall not  
 7 apply to the activities of a company providing humanitarian aid to  
 8 the Russian or Belarusian people through a governmental or non-  
 9 governmental organization.~~"]~~ included in the Department of the  
 10 Treasury's list created pursuant to subsection b. of section 1 of  
 11 P.L. , c. (C. ) (pending before the Legislature as this bill) for  
 12 engaging in prohibited activities in Russia or Belarus.<sup>2</sup>

13 b. The State Investment Council and the Director of the  
 14 Division of Investment <sup>2</sup>~~["~~, after reviewing the recommendations of  
 15 and consulting with an independent research firm that specializes in  
 16 global security risk for portfolio determinations <sup>1</sup>~~["selected by the~~  
 17 ~~State Treasurer"]<sup>1</sup>,<sup>2</sup> shall take appropriate action to sell, redeem,  
 18 divest, or withdraw any investment held in violation of subsection  
 19 a. of this section. <sup>2</sup>~~["This section shall not be construed to require~~  
 20 ~~the premature or otherwise imprudent sale, redemption, divestment,~~  
 21 ~~or withdrawal of an investment, but such sale, redemption,~~  
 22 ~~divestment, or withdrawal shall be completed not later than <sup>1</sup>one~~  
 23 ~~year"]~~ two years<sup>1</sup> following the <sup>1</sup>~~["effective date of P.L. , c.~~  
 24 ~~(C. ) (pending before the Legislature as this bill)"]~~ date that such  
 25 investment is identified as being in violation of subsection a. of this  
 26 section<sup>1</sup>"] Any appropriate action to sell, redeem, divest, or  
 27 withdraw any investment shall be completed not later than one year  
 28 following the date that such investment is identified as being in  
 29 violation of subsection a. of this section, provided that if such sale,  
 30 redemption, divestment, or withdrawal within such one-year period  
 31 would be premature or otherwise imprudent and inconsistent with  
 32 the requirements of section 11 of P.L.1950 c.270 (C.52:18A-89), as  
 33 amended, such sale, redemption, divestment, or withdrawal shall be  
 34 completed as soon thereafter as such requirements are met<sup>2</sup>.~~

35 c. Within <sup>1</sup>~~["60"]~~ 90<sup>1</sup> days after the effective date of P.L. , c.  
 36 (C. ) (pending before the Legislature as this bill), the Director of  
 37 the Division of Investment shall file with the Legislature, pursuant  
 38 to section 2 of P.L.1991, c.164 (C.52:14-19.1), a report of all  
 39 investments held as of the effective date that are in violation of  
 40 subsection a. of this section. <sup>1</sup>~~["Every year thereafter, the director~~  
 41 ~~shall report on all investments sold, redeemed, divested, or~~  
 42 ~~withdrawn in compliance with subsection b. of this section.~~

43 Each report after the initial report shall provide a description of  
 44 the progress that the division has made since the previous report  
 45 and since the enactment of P.L. , c. (C. ) (pending before

1 the Legislature as this bill) in implementing subsection b. of this  
2 section.】<sup>1</sup>

3 d. State Investment Council members, jointly and individually,  
4 and State officers and employees involved therewith, shall be  
5 indemnified and held harmless by the State of New Jersey from all  
6 claims, demands, suits, actions, damages, judgments, costs, charges,  
7 and expenses, including court costs and attorney's fees, and against  
8 all liability, losses, and damages of any nature whatsoever that these  
9 State Investment Council members, and State officers and  
10 employees, shall or may at any time sustain by reason of any  
11 decision to restrict, reduce, or eliminate investments pursuant to this  
12 act.

13 <sup>2</sup>【e. For purposes of this section:

14 <sup>1</sup>【“Equity tie” means manufacturing or mining plants, employees  
15 or advisors, facilities, or an investment, fiduciary, monetary or  
16 physical presence of any kind, including an ownership stake in one  
17 or more subsidiary or joint venture with one or more companies in  
18 the country.】<sup>1</sup>

19 “Humanitarian aid” means the provision of goods and services  
20 intended to relieve human suffering or to promote general welfare  
21 and health.】<sup>2</sup>

22  
23 7. A State agency, local contracting unit, board of education,  
24 State college, or county college shall not bank with, have or hold  
25 stock, debt, or other equity investments of, or maintain insurance  
26 coverage through a policy issued by a financial institution that  
27 <sup>2</sup>【has an equity tie to the government of Russia or Belarus, or an  
28 instrumentality of the government of Russia or Belarus, and is  
29 engaged in business in or with either of those governments or its  
30 instrumentalities】 is included in the Department of the Treasury’s  
31 list created pursuant to subsection b. of section 1 of P.L. , c.  
32 (C. ) (pending before the Legislature as this bill) for engaging in  
33 prohibited activities in Russia or Belarus<sup>2</sup>.

34  
35 8. Notwithstanding the provisions of the "Administrative  
36 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to the  
37 contrary, the State Treasurer may adopt immediately upon filing  
38 with the Office of Administrative Law such rules and regulations as  
39 the State Treasurer determines to be necessary to effectuate the  
40 purposes of P.L. , c. (C. ) (pending before the Legislature as  
41 this bill), which rules and regulation shall be effective for a period  
42 not exceeding 360 days following the effective date of  
43 P.L. , c. (C. ) (pending before the Legislature as this bill) and  
44 may thereafter be amended, adopted, or readopted by the State  
45 Treasurer in accordance with the requirements of P.L.1968, c.410  
46 (C.52:14B-1 et seq.).

1       <sup>1</sup>9. The provisions of sections 1 through 8 of P.L. \_\_\_\_\_, c.  
2 (C. \_\_\_\_\_) (pending before the Legislature as this bill) shall not apply  
3 in circumstances when their application would violate federal law  
4 or regulation or be inconsistent with the terms and conditions of  
5 federal funding.<sup>1</sup>

6  
7       <sup>1</sup>[9] <sup>10</sup><sup>1</sup>. This act shall take effect immediately <sup>1</sup>and shall  
8 expire <sup>2</sup>[four years thereafter<sup>1</sup>] upon the revocation of federal  
9 sanctions contained in Executive Order 14024<sup>2</sup>.

10

11

12

13

14       Prohibits government dealings with businesses associated with  
15 Belarus or Russia.

**SENATE, No. 1889**

**STATE OF NEW JERSEY**  
**220th LEGISLATURE**

INTRODUCED FEBRUARY 28, 2022

**Sponsored by:**  
**Senator PAUL A. SARLO**  
**District 36 (Bergen and Passaic)**

**SYNOPSIS**

Prohibits government dealings with businesses associated with Belarus or Russia.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT prohibiting government dealings with businesses associated  
2 with Belarus or Russia, supplementing Title 52 of the New  
3 Jersey Statutes.

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

7  
8 1. a. A person that is identified on a list created pursuant to  
9 subsection b. of this section as a person that has been determined to  
10 engage in investment activities in Russia or Belarus shall be  
11 ineligible to and shall not:

12 (1) bid on, submit a proposal for, enter into, or renew a contract  
13 with a State agency for the provision of goods or services;

14 (2) file or renew a Public Works Contractor Registration with the  
15 Department of Labor and Workforce Development;

16 (3) receive an economic development subsidy from the  
17 Economic Development Authority in but not of the Department of  
18 the Treasury, be awarded a municipal property tax abatement, or  
19 make or enter into a payment in-lieu of property tax agreement;

20 (4) apply for or receive a tax clearance certificate from the  
21 Director of the Division of Taxation in the Department of the  
22 Treasury;

23 (5) be certified by the Department of Community Affairs as an  
24 urban renewal entity for purposes of the "Long Term Tax  
25 Exemption Law," P.L.1991, c.431 (C.40A:20-1 et seq.); and

26 (6) be designated as a redeveloper by a public agency for the  
27 purpose of planning, replanning, construction, or undertaking of any  
28 project or redevelopment work in accordance with the "Local  
29 Redevelopment and Housing Law," P.L.1992, c.79 (C.40A:12A-1 et  
30 seq.).

31 b. Within 30 days of the effective date of this section, the  
32 Department of the Treasury shall, using credible information  
33 available to the public, develop a list of persons it determines  
34 engage in investment activities in Russia or Belarus. The  
35 department shall update the list every 60 days after the publication  
36 of an initial list. Before including a person or entity on the initial  
37 list or an updated list, the department shall:

38 (1) provide notice of its intent to include the person on the list.  
39 The notice shall inform the person that inclusion on the list would  
40 make the person ineligible to engage in any of the enumerated  
41 activities specified by subsection a. of this section; and

42 (2) provide a person with an opportunity to comment in writing  
43 that the person is not engaged in investment activities in Russia. If  
44 the person demonstrates to the department that the person is not  
45 engaged in investment activities in Russia, the person or entity shall  
46 not be included on the list.

47 c. A State agency shall require a person seeking to engage in any  
48 of the enumerated activities specified by subsection a. of this

1 section to certify that the person is not identified on a list created  
2 pursuant to this section as a person engaging in investment  
3 activities in Russia or Belarus. The certification required shall be  
4 executed on behalf of the applicable person by an authorized officer  
5 or representative of the person. If a person is unable to make the  
6 certification required because the person or one of the person's  
7 parents, subsidiaries, or affiliates has engaged in investment activity  
8 in Russia or Belarus, the person shall provide to the State agency or  
9 local unit of government concerned, prior to the deadline for  
10 delivery of such certification, a detailed and precise description of  
11 such activities, such description to be provided under penalty of  
12 perjury. The certifications provided under this section and  
13 disclosures provided under this section shall be disclosed to the  
14 public.

15 d. (1) If the department determines, using credible information  
16 available to the public and after providing notice and an opportunity  
17 to comment in writing for the person to demonstrate that it is not  
18 engaged in investment activities in Russia or Belarus, that the  
19 person or entity has submitted a false certification pursuant to this  
20 section, and the person fails to demonstrate to the department that  
21 the person has ceased its engagement in the investment activities in  
22 Russia within 90 days after the determination of a false  
23 certification, the following shall apply:

24 (a) pursuant to an action under paragraph (2) of this subsection,  
25 a civil penalty in an amount that is equal to the greater of  
26 \$1,000,000 or twice the amount of the bid or application listed in  
27 subsection a. of this section for which the false certification was  
28 made.

29 (b) termination of an existing contract, registration, economic  
30 development subsidy, tax abatement, payment in-lieu of property  
31 tax agreement, certification, or designation as deemed appropriate  
32 by the issuing agency.

33 (c) ineligibility to engage in any of the enumerated activities  
34 specified by subsection a. of this section for a period of three years  
35 from the date of the determination that the person submitted the  
36 false certification.

37 (2) The department shall report to the Attorney General the  
38 name of the person that the State agency determines has submitted  
39 a false certification under this section, together with its information  
40 as to the false certification, and the Attorney General shall  
41 determine whether to bring a civil action against the person to  
42 collect the penalty described in this subsection. Only one civil  
43 action against the person to collect the penalty described in this  
44 subsection may be brought for a false certification on a bid or  
45 application listed in subsection a. of this section. A civil action to  
46 collect such penalty shall commence within three years from the  
47 date the certification is made.

48 e. For purposes of this section:

1 "Economic development subsidy" means the provision of an  
2 amount of funds to a recipient with a value of greater than \$25,000  
3 for the purpose of stimulating economic development in New  
4 Jersey, including, but not limited to, any bond, grant, loan, loan  
5 guarantee, matching fund, tax credit, or other tax expenditure.

6 "Russia" and "Belarus" mean, respectively, the governments of  
7 Russia and Belarus, and include the territories of those nations and  
8 any other territory or marine area, including the exclusive economic  
9 zone and continental shelf, over which either government claims  
10 sovereignty, sovereign rights, or jurisdiction, provided that the  
11 government exercises partial or total control over the area or derives  
12 a benefit from economic activity in the area pursuant to  
13 international arrangements.

14 "State agency" means any of the principal departments in the  
15 Executive Branch of the State government, and any division, board,  
16 bureau, office, commission or other instrumentality within or  
17 created by such department; the Legislature of the State and any  
18 office, board, bureau or commission within or created by the  
19 Legislative Branch; and any independent State authority,  
20 commission, instrumentality or agency that is authorized by law to  
21 award public contracts. "State agency" shall also include a public  
22 research university that is not a State college subject to the  
23 provisions of the "State College Contracts Law," P.L.1986, c.43  
24 (C.18A:64-52 et seq.).

25

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

34 b. If the local contracting unit determines that a person has  
35 submitted a false certification concerning its engagement in  
36 investment activities in Russia or Belarus pursuant to section 1 of  
37 P.L. , c. (C. ) (pending before the Legislature as this bill), the  
38 local contracting unit shall report to the New Jersey Attorney  
39 General the name of that person or entity, and the Attorney General  
40 shall determine whether to bring a civil action against the person to  
41 collect the penalty prescribed in subsection c. of section 1 of  
42 P.L. , c. (C. ) (pending before the Legislature as this bill).

43 c. The local contracting unit may also report to the municipal  
44 attorney or county counsel, as appropriate, the name of that person,  
45 together with its information as to the false certification, and the  
46 municipal attorney or county counsel, as appropriate, may  
47 determine to bring such civil action against the person to collect  
48 such penalty.

1       3. 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  
5 as this bill), except that the board shall rely on the list developed by  
6 the Department of the Treasury pursuant to subsection b. of section  
7 1 of P.L. , c. (C. ) (pending before the Legislature as this  
8 bill).

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

18       c. The board may also report to the board's attorney the name of  
19 that person, together with its information as to the false  
20 certification, and the board's attorney may determine to bring such  
21 civil action against the person to collect such penalty.  
22

23       4. a. A State college as defined in and subject to the provisions  
24 of the "State College Contracts Law," P.L.1986, c.43 (C.18A:64-52  
25 et seq.), shall implement and comply with the provisions of  
26 P.L. , c. (C. ) (pending before the Legislature as this bill),  
27 except that the State college shall rely on the list developed by the  
28 Department of the Treasury pursuant to subsection b. of section 1 of  
29 P.L. , c. (C. ) (pending before the Legislature as this bill).

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

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

44       5. a. A county college as defined in and subject to the provisions  
45 of the "County College Contracts Law," P.L.1982, c.189  
46 (C.18A:64A-25.1 et seq.), shall implement and comply with the  
47 provisions of P.L. , c. (C. ) (pending before the Legislature  
48 as this bill), except that the county college shall rely on the list



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1 developed by the Department of the Treasury pursuant to subsection  
2 b. of section 1 of P.L. , c. (C. ) (pending before the  
3 Legislature as this bill).

4 b. If the county college determines that a person has submitted a  
5 false certification concerning its engagement in investment  
6 activities in Russia or Belarus pursuant to section 1 of  
7 P.L. , c. (C. ) (pending before the Legislature as this bill), the  
8 county college shall report to the New Jersey Attorney General the  
9 name of that person, and the Attorney General shall determine  
10 whether to bring a civil action against the person or entity to collect  
11 the penalty prescribed in subsection c. of section 1 of  
12 P.L. , c. (C. ) (pending before the Legislature as this bill).

13 c. The county college may also report to the county college  
14 attorney the name of that person, together with its information as to  
15 the false certification, and the county college attorney may  
16 determine to bring such civil action against the person to collect  
17 such penalty.

18

19 6. a. Notwithstanding any provision of law to the contrary, no  
20 assets of any pension or annuity fund under the jurisdiction of the  
21 Division of Investment in the Department of the Treasury, or its  
22 successor, shall be invested in a company with an equity tie to the  
23 government of Russia or Belarus, or an instrumentality of the  
24 government of Russia or Belarus, and is engaged in business in or  
25 with either of those governments or its instrumentalities. This  
26 prohibition shall not apply to the activities of a company providing  
27 humanitarian aid to the Russian or Belarusian people through a  
28 governmental or non-governmental organization.

29 b. The State Investment Council and the Director of the  
30 Division of Investment, after reviewing the recommendations of  
31 and consulting with an independent research firm that specializes in  
32 global security risk for portfolio determinations selected by the  
33 State Treasurer, shall take appropriate action to sell, redeem, divest,  
34 or withdraw any investment held in violation of subsection a. of this  
35 section. This section shall not be construed to require the premature  
36 or otherwise imprudent sale, redemption, divestment, or withdrawal  
37 of an investment, but such sale, redemption, divestment, or  
38 withdrawal shall be completed not later than one year following the  
39 effective date of P.L. , c. (C. ) (pending before the  
40 Legislature as this bill).

41 c. Within 60 days after the effective date of P.L. , c. (C. )  
42 (pending before the Legislature as this bill), the Director of the  
43 Division of Investment shall file with the Legislature, pursuant to  
44 section 2 of P.L.1991, c.164 (C.52:14-19.1), a report of all  
45 investments held as of the effective date that are in violation of  
46 subsection a. of this section. Every year thereafter, the director shall  
47 report on all investments sold, redeemed, divested, or withdrawn in  
48 compliance with subsection b. of this section.

1 Each report after the initial report shall provide a description of  
2 the progress that the division has made since the previous report  
3 and since the enactment of P.L. , c. (C. ) (pending before  
4 the Legislature as this bill) in implementing subsection b. of this  
5 section.

6 d. State Investment Council members, jointly and individually,  
7 and State officers and employees involved therewith, shall be  
8 indemnified and held harmless by the State of New Jersey from all  
9 claims, demands, suits, actions, damages, judgments, costs, charges,  
10 and expenses, including court costs and attorney's fees, and against  
11 all liability, losses, and damages of any nature whatsoever that these  
12 State Investment Council members, and State officers and  
13 employees, shall or may at any time sustain by reason of any  
14 decision to restrict, reduce, or eliminate investments pursuant to this  
15 act.

16 e. For purposes of this section:

17 "Equity tie" means manufacturing or mining plants, employees  
18 or advisors, facilities, or an investment, fiduciary, monetary or  
19 physical presence of any kind, including an ownership stake in one  
20 or more subsidiary or joint venture with one or more companies in  
21 the country.

22 "Humanitarian aid" means the provision of goods and services  
23 intended to relieve human suffering or to promote general welfare  
24 and health.

25

26 7. A State agency, local contracting unit, board of education,  
27 State college, or county college shall not bank with, have or hold  
28 stock, debt, or other equity investments of, or maintain insurance  
29 coverage through a policy issued by a financial institution that has  
30 an equity tie to the government of Russia or Belarus, or an  
31 instrumentality of the government of Russia or Belarus, and is  
32 engaged in business in or with either of those governments or its  
33 instrumentalities.

34

35 8. Notwithstanding the provisions of the "Administrative  
36 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to the  
37 contrary, the State Treasurer may adopt immediately upon filing  
38 with the Office of Administrative Law such rules and regulations as  
39 the State Treasurer determines to be necessary to effectuate the  
40 purposes of P.L. , c. (C. ) (pending before the Legislature as  
41 this bill), which rules and regulation shall be effective for a period  
42 not exceeding 360 days following the effective date of  
43 P.L. , c. (C. ) (pending before the Legislature as this bill) and  
44 may thereafter be amended, adopted, or readopted by the State  
45 Treasurer in accordance with the requirements of P.L.1968, c.410  
46 (C.52:14B-1 et seq.).

47

48 9. This act shall take effect immediately.

STATEMENT

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This bill prohibits various government dealings with businesses associated with Belarus or Russia.

Specifically, a person that engages in investment activity in Russia or Belarus will be placed on a list by the Department of the Treasury and will not be permitted to: contract with State agencies, file or renew a Public Works Contractor Registration, receive an economic development subsidy from the Economic Development Authority, be awarded a municipal property tax abatement, or make or enter into a payment in-lieu of property tax agreement, apply for or receive a tax clearance certificate from the Division of Taxation, be certified by as an urban renewal entity for purposes of the "Long Term Tax Exemption Law," or be designated as a redeveloper by a public agency for the purposes of the "Local Redevelopment and Housing Law."

The bill prohibits the State from investing pension or annuity funds in companies with an equity tie to the government of Russia or Belarus. The bill also prohibits the State and its subdivisions from: banking with, having or holding stock, debt, or other equity investments of, or maintaining insurance coverage through a policy issued by a financial institution that has an equity tie to the government of Russia or Belarus.

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### **SENATE, No. 1889**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: FEBRUARY 28, 2022

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1889, with committee amendments.

This bill prohibits various government dealings with businesses associated with Belarus or Russia.

Pursuant to the bill, a person that engages in investment activity with the government of Russia or Belarus will be placed on a list by the Department of the Treasury and will not be permitted to: contract with State agencies, file or renew a Public Works Contractor Registration, receive an economic development subsidy from the Economic Development Authority, be awarded a municipal property tax abatement, or make or enter into a payment in-lieu of property tax agreement, apply for or receive a tax clearance certificate from the Division of Taxation, be certified by as an urban renewal entity for purposes of the "Long Term Tax Exemption Law," or be designated as a redeveloper by a public agency for the purposes of the "Local Redevelopment and Housing Law."

The bill also prohibits the State from investing pension or annuity funds in a company owned or controlled by the government of Russia or Belarus. Finally, the bill prohibits the State and its subdivisions from: banking with, having or holding stock, debt, or other equity investments of, or maintaining insurance coverage through a policy issued by a financial institution that has an equity tie to the government of Russia or Belarus.

#### COMMITTEE AMENDMENTS:

The committee amended the bill to modify the scope of prohibitions in the bill and to provide that the bill will expire four years after enactment.

#### FISCAL IMPACT:

Fiscal information for this bill is currently unavailable.

STATEMENT TO  
[First Reprint]  
**SENATE, No. 1889**

with Senate Floor Amendments  
(Proposed by Senator SARLO)

ADOPTED: MARCH 3, 2022

This amendment modifies the scope of the bill and the duration the bill will be in effect.

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

## SENATE, No. 1889 STATE OF NEW JERSEY 220th LEGISLATURE

DATED: MARCH 7, 2022

### SUMMARY

- Synopsis:** Prohibits government dealings with businesses associated with Belarus or Russia.
- 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

Fiscal Impact	<u>Years 1-4</u>
State and Local Impact	Indeterminate

- The Office of Legislative Services (OLS) cannot determine the fiscal impact of this bill because of a lack of information on the current contracts, investments, and banking relationships that would be prohibited by the bill, or the alternatives that would be adopted if the bill's prohibitions take effect.
- The net fiscal impact of the bill may be positive, negative, or neutral depending on the behavior of some contractors and private businesses, and on dynamic economic variables that cannot be foreseen.
- The OLS anticipates that there may possibly be an indeterminate revenue increase from the imposition of the penalties provided for in the bill.
- The bill imposes certain responsibilities on the Department of the Treasury that, the OLS anticipates, could be absorbed within existing resources.

## **BILL DESCRIPTION**

This bill prohibits various government dealings with businesses associated with Belarus or Russia.

Pursuant to the bill, a person that engages in investment activity with the government of Russia or Belarus will be placed on a list by the Department of the Treasury and will not be permitted to: contract with State agencies, file or renew a Public Works Contractor Registration, receive an economic development subsidy from the Economic Development Authority, be awarded a municipal property tax abatement, or make or enter into a payment in-lieu of property tax agreement, apply for or receive a tax clearance certificate from the Division of Taxation, be certified as an urban renewal entity for purposes of the "Long Term Tax Exemption Law," or be designated as a redeveloper by a public agency for the purposes of the "Local Redevelopment and Housing Law." A false certification could result in a civil penalty of \$1,000,000 or twice the amount of the bid or application.

The bill also prohibits the State from investing pension or annuity funds in a company owned or controlled by the government of Russia or Belarus, and requires the divestment of any such investments currently held within two years. Finally, the bill prohibits the State and its subdivisions from: banking with, having or holding stock, debt, or other equity investments of, or maintaining insurance coverage through a policy issued by a financial institution that has an equity tie to the government of Russia or Belarus.

The bill expires four years after the effective date.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

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

The OLS cannot determine the fiscal impact of this bill because the OLS lacks information on (1) 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; and (2) what current investments may be required to be divested and how those funds might alternatively be invested; or (3) what banking relationships may need to change to comply with the bill.

The impact on future contracting costs may not be ascertainable due to unknown and dynamic economic variables. Hypothetically, to the extent that this bill reduces the number of entities eligible and competent to hold certain public contracts, the remaining eligible contractors may increase their prices. However, the OLS has no information to indicate how likely such a situation may be to present itself.

The bill's impact on future investment returns may be positive, negative, or neutral depending on the performance of assets that public entities would hold in the absence of the bill as compared to those they would hold if prohibited from holding certain assets related to Russia or Belarus. The OLS does not have information on the extent to which public resources are currently placed in investments that the bill would require to be withdrawn. United States economic sanctions and the current economic climate would likely prevent the State or its subdivisions from making any substantial new investments in Russia or Belarus in the near future, even in the absence of this bill.

Widespread economic sanctions against Russia and Belarus have caused substantial damage to their economies, and likely led to a devaluation of many investments related to those countries. It is unknown how the value of those assets may continue to change before the bill is enacted, or during the following years during which the bill would be in effect.

The OLS anticipates that there may possibly be an indeterminate revenue increase from the imposition of the penalties provided for in the bill.

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

*Section: Revenue, Finance, and Appropriations*

*Analyst: David Drescher  
Section Chief*

*Approved: Thomas Koenig  
Legislative Budget and Finance Officer*

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



# ASSEMBLY, No. 3090

## STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED FEBRUARY 28, 2022

**Sponsored by:**

**Assemblyman GARY S. SCHAER**

**District 36 (Bergen and Passaic)**

**Assemblyman CRAIG J. COUGHLIN**

**District 19 (Middlesex)**

**Assemblyman JOHN DIMAIO**

**District 23 (Hunterdon, Somerset and Warren)**

**Co-Sponsored by:**

**Assemblywomen N.Munoz, Matsikoudis, Assemblyman Danielsen,  
Assemblywoman Sumter, Assemblymen Calabrese, Torrissi, Conaway,  
Caputo, Assemblywomen Jasey, Tucker and Assemblyman McKeon**

**SYNOPSIS**

Prohibits government dealings with businesses associated with Belarus or Russia.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 3/8/2022)**

1 AN ACT prohibiting government dealings with businesses associated  
2 with Belarus or Russia, supplementing Title 52 of the New  
3 Jersey Statutes.

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

7  
8 1. a. A person that is identified on a list created pursuant to  
9 subsection b. of this section as a person that has been determined to  
10 engage in prohibited activities in Russia or Belarus shall be  
11 ineligible to and shall not:

12 (1) enter into or renew a contract with a State agency for the  
13 provision of goods or services or the purchase of bonds or other  
14 obligations;

15 (2) file or renew a Public Works Contractor Registration with  
16 the Department of Labor and Workforce Development;

17 (3) be approved for or continue to receive an economic  
18 development subsidy from the Economic Development Authority in  
19 but not of the Department of the Treasury, be awarded a municipal  
20 property tax abatement, or make or enter into a payment in-lieu of  
21 property tax agreement;

22 (4) apply for or receive a tax clearance certificate from the  
23 Director of the Division of Taxation in the Department of the  
24 Treasury;

25 (5) be certified by the Department of Community Affairs as an  
26 urban renewal entity for purposes of the "Long Term Tax  
27 Exemption Law," P.L.1991, c.431 (C.40A:20-1 et seq.); and

28 (6) be designated as a redeveloper by a public agency for the  
29 purpose of planning, replanning, construction, or undertaking of any  
30 project or redevelopment work in accordance with the "Local  
31 Redevelopment and Housing Law," P.L.1992, c.79 (C.40A:12A-1 et  
32 seq.).

33 b. Immediately upon the effective date of this section, the  
34 Department of the Treasury shall, using credible information  
35 available to the public, begin developing a list of persons it  
36 determines engage in prohibited activities in Russia or Belarus. The  
37 department is authorized to consult an independent research firm  
38 that specializes in global security risk for portfolio determinations,  
39 as selected by the State Treasurer, to develop the list. The  
40 department shall update the list on a rolling basis. Beginning after  
41 the 91st day next following the date of enactment of this section,  
42 the department shall be required to update the list at least every six  
43 months. Before including a person or entity on the initial list or an  
44 updated list, the department shall:

45 (1) provide notice of its intent to include the person on the list.  
46 The notice shall inform the person that inclusion on the list would  
47 make the person ineligible to engage in any of the enumerated  
48 activities specified by subsection a. of this section; and

1 (2) provide a person with an opportunity to comment in writing  
2 that the person is not engaged in prohibited activities in Russia or  
3 Belarus. If the person demonstrates to the department that the  
4 person is not engaged in prohibited activities in Russia or Belarus,  
5 the person or entity shall not be included on the list.

6 c. A State agency or local unit, as applicable shall require a  
7 person seeking to engage in any of the enumerated activities  
8 specified by subsection a. of this section to certify, before the  
9 contract is awarded, renewed, amended, or extended, or before  
10 applying for certification as an urban renewal entity or designation  
11 as a redeveloper that the person is not identified on a list created  
12 pursuant to this section as a person engaging in prohibited activities  
13 in Russia or Belarus. The certification required shall be executed on  
14 behalf of the applicable person by an authorized officer or  
15 representative of the person. If a person is unable to make the  
16 certification required because the person or one of the person's  
17 parents, subsidiaries, or affiliates has engaged in prohibited activity  
18 in Russia or Belarus, the person shall provide to the State agency or  
19 local unit of government concerned, prior to the deadline for  
20 delivery of such certification, a detailed and precise description of  
21 such activities, such description to be provided under penalty of  
22 perjury. The certifications provided under this section and  
23 disclosures provided under this section shall be disclosed to the  
24 public.

25 d. (1) If the department determines, using credible information  
26 available to the public and after providing notice and an opportunity  
27 to comment in writing for the person to demonstrate that it is not  
28 engaged in prohibited activities in Russia or Belarus, that the person  
29 or entity has submitted a false certification pursuant to this section,  
30 and the person fails to demonstrate to the department that the  
31 person has ceased its engagement in the prohibited activities in  
32 Russia or Belarus within 90 days after the determination of a false  
33 certification, the following shall apply:

34 (a) pursuant to an action under paragraph (2) of this subsection,  
35 a civil penalty in an amount that is equal to the greater of  
36 \$1,000,000 or twice the amount of the bid or application listed in  
37 subsection a. of this section for which the false certification was  
38 made.

39 (b) termination of an existing contract, registration, economic  
40 development subsidy, tax abatement, payment in-lieu of property  
41 tax agreement, certification, or designation as deemed appropriate  
42 by the issuing agency or the application process for any of the  
43 foregoing.

44 (c) ineligibility to engage in any of the enumerated activities  
45 specified by subsection a. of this section for a period of three years  
46 from the date of the determination that the person submitted the  
47 false certification, provided that the person has ceased its  
48 engagement in the prohibited activities in Russia or Belarus.

1 (2) The department shall report to the Attorney General the  
2 name of the person that the State agency determines has submitted a  
3 false certification under this section, together with its information  
4 as to the false certification, and the Attorney General shall  
5 determine whether to bring a civil action against the person to  
6 collect the penalty described in this subsection. Only one civil  
7 action against the person to collect the penalty described in this  
8 subsection may be brought for a false certification on a bid or  
9 application listed in subsection a. of this section. A civil action to  
10 collect such penalty shall commence within three years from the  
11 date the certification is made.

12 e. For purposes of this section:

13 "Economic development subsidy" means the provision of an  
14 amount of funds to a recipient with a value of greater than \$25,000  
15 for the purpose of stimulating economic development in New  
16 Jersey, including, but not limited to, any investment, bond, grant,  
17 loan, loan guarantee, matching fund, tax credit, or other tax  
18 expenditure.

19 "Engaged in prohibited activities in Russia or Belarus" means (1)  
20 companies in which the Government of Russia or Belarus has any  
21 direct equity share; (2) having any business operations commencing  
22 after the effective date of this act that involve contracts with or the  
23 provision of goods or services to the Government of Russia or  
24 Belarus; (3) being headquartered in Russia or having its principal  
25 place of business in Russia or Belarus, or (4) supporting, assisting  
26 or facilitating the Government of Russia or Belarus in their  
27 campaigns to invade the sovereign country of Ukraine, either  
28 through in-kind support or for profit.

29 "Person or entity" means any of the following:

30 (1) A natural person, corporation, company, limited partnership,  
31 limited liability partnership, limited liability company, business  
32 association, sole proprietorship, joint venture, partnership, society,  
33 trust, or any other nongovernmental entity, organization, or group;

34 (2) Any governmental entity or instrumentality of a government,  
35 including a multilateral development institution, as defined in  
36 Section 1701(c)(3) of the International Financial Institutions Act,  
37 22 U.S.C. 262r(c)(3); or

38 (3) Any parent, successor, subunit, direct or indirect subsidiary,  
39 or any entity under common ownership or control with, any entity  
40 described in paragraph (1) or (2).

41 "Russia" and "Belarus" mean, respectively, the governments of  
42 Russia and Belarus, and include the territories of those nations and  
43 any other territory or marine area that are recognized by the United  
44 States as part of either country.

45 "State agency" means any of the principal departments in the  
46 Executive Branch of the State government, and any division, board,  
47 bureau, office, commission or other instrumentality within or  
48 created by such department; the Legislature of the State and any

1 office, board, bureau or commission within or created by the  
2 Legislative Branch; and any independent State authority,  
3 commission, instrumentality or agency that is authorized by law to  
4 award public contracts. "State agency" shall also include a public  
5 research university that is not a State college subject to the  
6 provisions of the "State College Contracts Law," P.L.1986, c.43  
7 (C.18A:64-52 et seq.).

8  
9 2. a. A local contracting unit as defined in and subject to the  
10 provisions of the "Local Public Contracts Law," P.L.1971, c.198  
11 (C.40A:11-1 et seq.), shall implement and comply with the  
12 provisions of P.L. , c. (C. ) (pending before the Legislature  
13 as this bill), except that the contracting unit shall rely on the list  
14 developed by the Department of the Treasury pursuant to subsection  
15 b. of section 1 of P.L. , c. (C. ) (pending before the  
16 Legislature as this bill).

17 b. If the local contracting unit determines that a person has  
18 submitted a false certification concerning its engagement in  
19 prohibited activities in Russia or Belarus pursuant to section 1 of  
20 P.L. , c. (C. ) (pending before the Legislature as this bill), the  
21 local contracting unit shall report to the New Jersey Attorney  
22 General the name of that person or entity, and the Attorney General  
23 shall determine whether to bring a civil action against the person to  
24 collect the penalty prescribed in subsection c. of section 1 of  
25 P.L. , c. (C. ) (pending before the Legislature as this bill).

26 c. The local contracting unit may also report to the municipal  
27 attorney or county counsel, as appropriate, the name of that person,  
28 together with its information as to the false certification, and the  
29 municipal attorney or county counsel, as appropriate, may  
30 determine to bring such civil action against the person to collect  
31 such penalty.

32  
33 3. a. A board of education as defined in and subject to the  
34 provisions of the "Public School Contracts Law," P.L.1977, c.114  
35 (N.J.S.18A:18A-1 et seq.), shall implement and comply with the  
36 provisions of P.L. , c. (C. ) (pending before the Legislature  
37 as this bill), except that the board shall rely on the list developed by  
38 the Department of the Treasury pursuant to subsection b. of section  
39 1 of P.L. , c. (C. ) (pending before the Legislature as this  
40 bill).

41 b. If the board determines that a person or entity has submitted  
42 a false certification concerning its engagement in prohibited  
43 activities in Russia or Belarus pursuant to section 1 of  
44 P.L. , c. (C. ) (pending before the Legislature as this bill), the  
45 board shall report to the New Jersey Attorney General the name of  
46 that person, and the Attorney General shall determine whether to  
47 bring a civil action against the person to collect the penalty

1 prescribed in subsection c. of section 1 of P.L. , c. (C. )  
2 (pending before the Legislature as this bill).

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

7  
8 4. a. A State college as defined in and subject to the provisions  
9 of the "State College Contracts Law," P.L.1986, c.43 (C.18A:64-52  
10 et seq.), shall implement and comply with the provisions of  
11 P.L. , c. (C. ) (pending before the Legislature as this bill),  
12 except that the State college shall rely on the list developed by the  
13 Department of the Treasury pursuant to subsection b. of section 1 of  
14 P.L. , c. (C. ) (pending before the Legislature as this bill).

15 b. If the State college determines that a person has submitted a  
16 false certification concerning its engagement in prohibited activities  
17 in Russia or Belarus pursuant to section 1 of P.L. , c. (C. )  
18 (pending before the Legislature as this bill), the State college shall  
19 report to the New Jersey Attorney General the name of that person,  
20 and the Attorney General shall determine whether to bring a civil  
21 action against the person to collect the penalty prescribed in  
22 subsection c. of section 1 of P.L. , c. (C. ) (pending before  
23 the Legislature as this bill).

24 c. The State college may also report to the State college  
25 attorney the name of that person, together with its information as to  
26 the false certification, and the State college attorney may determine  
27 to bring such civil action against the person to collect such penalty.

28  
29 5. a. A county college as defined in and subject to the  
30 provisions of the "County College Contracts Law," P.L.1982, c.189  
31 (C.18A:64A-25.1 et seq.), shall implement and comply with the  
32 provisions of P.L. , c. (C. ) (pending before the Legislature  
33 as this bill), except that the county college shall rely on the list  
34 developed by the Department of the Treasury pursuant to subsection  
35 b. of section 1 of P.L. , c. (C. ) (pending before the  
36 Legislature as this bill).

37 b. If the county college determines that a person has submitted a  
38 false certification concerning its engagement in prohibited activities  
39 in Russia or Belarus pursuant to section 1 of  
40 P.L. , c. (C. ) (pending before the Legislature as this bill), the  
41 county college shall report to the New Jersey Attorney General the  
42 name of that person, and the Attorney General shall determine  
43 whether to bring a civil action against the person or entity to collect  
44 the penalty prescribed in subsection c. of section 1 of  
45 P.L. , c. (C. ) (pending before the Legislature as this bill).

46 c. The county college may also report to the county college  
47 attorney the name of that person, together with its information as to  
48 the false certification, and the county college attorney may

1 determine to bring such civil action against the person to collect  
2 such penalty.

3  
4 6. a. Notwithstanding any provision of law to the contrary,  
5 except section 11 of P.L.1950 c.270 (C.52:18A-89), as amended, no  
6 assets of any pension or annuity fund under the jurisdiction of the  
7 Division of Investment in the Department of the Treasury, or its  
8 successor, shall be invested directly in a company included in the  
9 Department of the Treasury's list created pursuant to subsection b.  
10 of section 1 of P.L. , c. (C. ) (pending before the Legislature  
11 as this bill) for engaging in prohibited activities in Russia or  
12 Belarus.

13 b. The State Investment Council and the Director of the  
14 Division of Investment shall take appropriate action to sell, redeem,  
15 divest, or withdraw any investment held in violation of subsection  
16 a. of this section. Any appropriate action to sell, redeem, divest, or  
17 withdraw any investment shall be completed not later than one year  
18 following the date that such investment is identified as being in  
19 violation of subsection a. of this section, provided that if such sale,  
20 redemption, divestment, or withdrawal within such one-year period  
21 would be premature or otherwise imprudent and inconsistent with  
22 the requirements of section 11 of P.L.1950 c.270 (C.52:18A-89), as  
23 amended, such sale, redemption, divestment, or withdrawal shall be  
24 completed as soon thereafter as such requirements are met.

25 c. Within 90 days after the effective date of  
26 P.L. , c. (C. ) (pending before the Legislature as this bill),  
27 the Director of the Division of Investment shall file with the  
28 Legislature, pursuant to section 2 of P.L.1991, c.164 (C.52:14-  
29 19.1), a report of all investments held as of the effective date that  
30 are in violation of subsection a. of this section.

31 d. State Investment Council members, jointly and individually,  
32 and State officers and employees involved therewith, shall be  
33 indemnified and held harmless by the State of New Jersey from all  
34 claims, demands, suits, actions, damages, judgments, costs, charges,  
35 and expenses, including court costs and attorney's fees, and against  
36 all liability, losses, and damages of any nature whatsoever that these  
37 State Investment Council members, and State officers and  
38 employees, shall or may at any time sustain by reason of any  
39 decision to restrict, reduce, or eliminate investments pursuant to this  
40 act.

41  
42 7. A State agency, local contracting unit, board of education,  
43 State college, or county college shall not bank with, have or hold  
44 stock, debt, or other equity investments of, or maintain insurance  
45 coverage through a policy issued by a financial institution that is  
46 included in the Department of the Treasury's list created pursuant to  
47 subsection b. of section 1 of P.L. , c. (C. ) (pending before

1 the Legislature as this bill) for engaging in prohibited activities in  
2 Russia or Belarus.

3  
4 8. Notwithstanding the provisions of the "Administrative  
5 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to the  
6 contrary, the State Treasurer may adopt immediately upon filing  
7 with the Office of Administrative Law such rules and regulations as  
8 the State Treasurer determines to be necessary to effectuate the  
9 purposes of P.L. , c. (C. ) (pending before the Legislature as  
10 this bill), which rules and regulation shall be effective for a period  
11 not exceeding 360 days following the effective date of  
12 P.L. , c. (C. ) (pending before the Legislature as this bill) and  
13 may thereafter be amended, adopted, or readopted by the State  
14 Treasurer in accordance with the requirements of P.L.1968, c.410  
15 (C.52:14B-1 et seq.).

16  
17 9. The provisions of sections 1 through 8 of  
18 P.L. , c. (C. ) (pending before the Legislature as this bill)  
19 shall not apply in circumstances when their application would  
20 violate federal law or regulation or be inconsistent with the terms  
21 and conditions of federal funding.

22  
23 10. This act shall take effect immediately and shall expire upon  
24 the revocation of federal sanctions contained in Executive Order  
25 14024.

26  
27  
28 STATEMENT

29  
30 This bill prohibits various government dealings with businesses  
31 associated with Belarus or Russia.

32 Pursuant to the bill, a person that engages in prohibited activity  
33 with the government of Russia or Belarus will be placed on a list by  
34 the Department of the Treasury and will not be permitted to:  
35 contract with State agencies, file or renew a Public Works  
36 Contractor Registration, receive an economic development subsidy  
37 from the Economic Development Authority, be awarded a  
38 municipal property tax abatement, or make or enter into a payment  
39 in-lieu of property tax agreement, apply for or receive a tax  
40 clearance certificate from the Division of Taxation, be certified by  
41 as an urban renewal entity for purposes of the "Long Term Tax  
42 Exemption Law," or be designated as a redeveloper by a public  
43 agency for the purposes of the "Local Redevelopment and Housing  
44 Law." Persons engaged in prohibited activity include those (1)  
45 companies in which the Government of Russia or Belarus has any  
46 direct equity share; (2) having any business operations commencing  
47 after the effective date of this act that involve contracts with or the  
48 provision of goods or services to the Government of Russia or



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1 Belarus; (3) being headquartered in Russia or having its principal  
2 place of business in Russia or Belarus, or (4) supporting, assisting  
3 or facilitating the Government of Russia or Belarus in their  
4 campaigns to invade the sovereign country of Ukraine, either  
5 through in-kind support or for profit

6 The bill also prohibits the State from investing pension or  
7 annuity funds in a company on the Department of the Treasury's  
8 list.

9 Finally, the bill prohibits the State and its subdivisions from:  
10 banking with, having or holding stock, debt, or other equity  
11 investments of, or maintaining insurance coverage through a policy  
12 issued by a financial institution on the Department of the Treasury's  
13 list.

14 The bill would expire upon the revocation of federal sanctions  
15 contained in Executive Order 14024.

# Governor Murphy Signs Legislation Prohibiting Government Dealings With Businesses Associated with Russia or Belarus

03/9/2022

*With Bipartisan Support, Murphy Administration Continues Strong Actions in Response to Russia's Invasion of Ukraine*

**TRENTON** – Governor Phil Murphy today signed legislation (S-1889/A-3090) that prohibits certain government dealings with businesses associated with Russia or Belarus, in response to Russia's invasion of Ukraine. The signing of this bipartisan legislation follows Governor Murphy's [executive order](#) requiring all state agencies to review their authority to suspend or revoke licenses, permits, registrations, and certifications of businesses that invest directly in companies owned or controlled by the government of Russia, Belarus, or its instrumentalities.

"New Jersey cannot and will not stand idly by as a tin-pot dictator invades the free and independent nation of Ukraine," **said Governor Murphy**. "We are sending a strong message today to Vladimir Putin and his cronies in Belarus that their actions will not be tolerated. I am proud to have worked with Senator Sarlo, Assemblyman Schaer, and the Legislature to make certain that our state plays its part in ensuring that the exodus of businesses leaving Russia and Belarus continues. Our Administration stands with President Zelenskyy and the people of Ukraine in their valiant effort to fight back against Russia's illegitimate and brutal invasion."

"Treasury has already begun to carry out the Governor's recent Executive Order and we stand ready and willing to help implement this new legislation in order to ensure taxpayer dollars are not supporting Russia's indefensible invasion of Ukraine," **said State Treasurer Elizabeth Maher Muoio**. "To date, we have assessed the pension fund's exposure to Russian investments and are in the process of identifying what state contracts, if any, might have ties to Russian businesses. We will use the power of our purse to stand in solidarity with the people of Ukraine."

Primary sponsors of the legislation include Senators Paul A. Sarlo, and Declan J. O'Scanlon, and Assemblymembers Gary S. Schaer, Craig J. Coughlin, and John DiMaio.

"This will help to punish Russia and Belarus for the brutal invasion of Ukraine," **said Senator Paul Sarlo, who announced his intention to write the sanctions bill immediately after Russia launched its attack**. "This is an international crisis we can influence here in New Jersey by supporting the courageous people of Ukraine. We can help cut off Russia's finances and the profiteering of Putin and his oligarchs, including sanctions on tax breaks for developers. They obviously have no respect for human rights, but we can make them pay an increasingly heavy price for their actions."

"While Putin might be able to control the flow of information within Russia, he won't be able to shield his nation from the economic impact of sanctions and divestment undertaken by governments across the world, including the State of New Jersey," **said Senator Declan O'Scanlon**. "These unified actions are not intended to hurt peaceful Russian citizens, but to send a strong message to the oligarchs and others in positions of power that their leader has crossed a line with his war in Ukraine that the international community will not tolerate."

"Coordinated sanctions have already devastated the Russian economy," **said Assemblyman Gary Schaer**. "Through this legislation, New Jersey joins the international community in fighting for Ukrainian freedom. No nation can stand alone, Russia will be forced to recognize Ukraine's sovereignty or risk total financial collapse."

"Putin's values and those of his sympathizers are antithetical to the principles of democracy and independence for which we as a country stand," **said Assembly Speaker Craig J. Coughlin**. "Working in complement to national and global partners to condemn this unprovoked war and support Ukrainians' fight, New Jersey has made clear we will not be a bystander. Cutting ties as this legislation does sends not only a clear message by eliminating opportunities for trade and investment by aggressors but is a decisive action that will intensify the economic pressures imposed on and felt by Russia."

“New Jersey taxpayer dollars will not finance Russia’s war in Ukraine, which is an assault on a sovereign nation that values freedom, the bedrock of successful societies,” **said Assembly Republican Leader John DiMaio**. “It’s time to put our money where our mouth is and punish Russia and Belarus for refusing a peaceful resolution that recognizes the independent borders of Ukraine. New Jersey will not line the pockets of war criminals.”

S-1889 requires the Department of the Treasury to begin developing immediately a list of persons and entities that it determines engage in prohibited activities in Russia or Belarus. The bill identifies the following entities as those that engage in “prohibited activities” that will result in inclusion on the list:

1. Companies in which the Government of Russia or Belarus has any direct equity share;
2. Entities having any business operations commencing after the effective date of the act that involve contracts with, or the provision of goods or services to, the Government of Russia or Belarus;
3. Entities headquartered or having their principal place of business in Russia or Belarus, and
4. Entities supporting, assisting, or facilitating the Government of Russia or Belarus in their campaigns to invade the sovereign country of Ukraine, either through in-kind support or for profit.

If a person or entity is included on the list developed by the Department of the Treasury, then the person or entity is ineligible to:

1. Enter into or renew a contract with a State agency, local government, school board, State college, or county college for the provision of goods or services;
2. File or renew a Public Works Contractor Registration with the Department of Labor and Workforce Development;
3. Be approved for or continue to receive an economic development subsidy from the Economic Development Authority, be awarded a municipal property tax abatement, or make or enter into a payment in-lieu of property tax agreement;
4. Apply for or receive a tax clearance certificate from the Director of the Division of Taxation in the Department of the Treasury; or
5. Be certified as an urban renewal entity or a redeveloper for the purpose of planning or undertaking a project or redevelopment work and receiving the benefits that accrue from such activities.

Additionally, the bill prohibits the State from investing pension or annuity funds in an entity appearing on the list developed by the Department of the Treasury and prohibits the State and its subdivisions from banking with, holding equity investments in, or maintaining insurance coverage issued by a financial institution placed on the list developed by the Department of the Treasury.