

SENATE BILL No. 1024

March 20, 2012, Introduced by Senators KAHN, MARLEAU, BRANDENBURG, ANDERSON, GREEN and BOOHER and referred to the Committee on Banking and Financial Institutions.

A bill to prohibit persons who have certain economic relationships with Iran from submitting bids or entering into contracts with this state, political subdivisions of this state, and other public entities; to require bidders for certain public contracts to submit certification of eligibility with the bid; to require reports; and to provide for sanctions for false certification.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the "Iran
2 economic sanctions act".

3 Sec. 2. As used in this act:

4 (a) "Iran" includes any agency or instrumentality of Iran.

5 (b) "Iran-linked business" means a person that has investments
6 in Iran or holds a contract with the government of Iran or a

1 political subdivision of Iran.

2 (c) "Person" means any of the following:

3 (i) An individual, corporation, company, limited liability
4 company, business association, partnership, society, trust, or any
5 other nongovernmental entity, organization, or group.

6 (ii) Any governmental entity or instrumentality of a
7 government, including a multilateral development institution, as
8 defined in section 1701(c)(3) of the international financial
9 institutional act, 22 USC 262r(c)(3).

10 (iii) Any successor, subunit, parent company, or subsidiary of,
11 or company under common ownership or control with, any entity
12 described in subparagraph (i) or (ii).

13 (d) "Public entity" means this state or an agency, school
14 district, community college district, intermediate school district,
15 city, village, township, or county of this state.

16 Sec. 3. (1) An Iran-linked business is not eligible for award
17 of, and shall not submit a bid or proposal or enter into, a
18 contract with a public entity in which the contract is for more
19 than \$2,500.00.

20 (2) A public entity shall require a person that submits a bid
21 or proposal to enter into a contract with the public entity to
22 certify that it is not an Iran-linked business.

23 Sec. 4. If a public entity determines that a person has
24 submitted a false certification under section 3(2), the person is
25 subject to all of the following:

26 (a) Termination of any existing contract with the public
27 entity, at the option of the public entity.

1 (b) Ineligibility to bid on, or for award of, a contract for 3
2 years from the date the public entity determines that the person
3 has submitted the false certification.

4 (c) Referral for civil prosecution under section 5 for
5 collection of a fine of not more than \$250,000.00 or 2 times the
6 amount of the contract or proposed contract for which the false
7 certification was made, whichever is greater.

8 Sec. 5. If a public entity determines that a person has
9 submitted a false certification under section 3(2), the public
10 entity shall report the name of the person to the attorney general
11 together with information supporting the determination. The
12 attorney general may bring a civil action against the person to
13 collect the fine under section 4(c). If a civil action results in a
14 finding that the person submitted a false certification, the person
15 is responsible for the cost of the public entity's investigation
16 and reasonable attorney fees, in addition to the fine.

17 Sec. 6. (1) If a public entity determines, based on credible
18 information, that a person that has submitted a bid or contract
19 proposal or that is a party to an existing contract with the public
20 entity is an Iran-linked business, the public entity shall notify
21 the person of the determination and of the intent not to enter into
22 or renew a contract with the person. The notice shall include
23 information on how to contest the determination. The notice shall
24 specify that the person may become eligible for a future contract
25 with the public entity if the person ceases the activities that
26 cause it to be an Iran-linked business.

27 (2) Upon the request of a person notified under subsection

1 (1), the public entity shall provide the person it determined to be
2 an Iran-linked business with an opportunity to demonstrate to the
3 public entity that it is not an Iran-linked business. If the public
4 entity then determines that the person is not an Iran-linked
5 business, the person shall be notified that it is not ineligible
6 under this act to enter into or renew a contract with the public
7 entity.

8 Enacting section 1. This act takes effect January 1, 2013.