

HCS SCS SB 722 -- IRAN ENERGY DIVESTMENT ACT

SPONSOR: Lamping (Jones, 89)

COMMITTEE ACTION: Voted "do pass" by the Committee on General Laws by a vote of 12 to 1.

This substitute establishes the Iran Energy Divestment Act which prohibits any person or entity that engages in investment activities in the energy sector in Iran from contracting with the state or its political subdivisions for goods or services in excess of \$1 million. A person or entity will be considered under these provisions to be engaging in investment activities in the energy sector in Iran if the person or entity has an investment of \$20 million or more in the energy sector in Iran; provides oil or liquified natural gas tankers or products used to construct or maintain pipelines for the energy sector in Iran; or is a financial institution that extends \$20 million or more in credit to another person for 45 days or more if the institution had knowledge that the person will use the credit to invest in the energy sector in Iran.

The substitute specifies that a public entity must require any person or entity that submits a bid or proposal to enter into a contract with a public entity for goods or services in excess of \$1 million that currently or within the previous three years has had business activities or other operations outside of the United States to certify that he or she is not a proscribed investor in the energy sector in Iran as specified in the substitute.

If the Attorney General determines that a person or entity has submitted a false certification, the person must be subject to a civil penalty of \$250,000; termination, without penalty, of an existing contract with the awarding body; and ineligibility to bid on or enter into a contract with a public entity for three years.

FISCAL NOTE: No impact on state funds in FY 2013, FY 2014, and FY 2015.

PROponents: Supporters say that the bill is an opportunity for the state to be on the leading edge on a very important issue. Currently, states are authorized to adopt policies regarding economic sanctions against Iran. A few states have passed laws doing so; and Missouri would be the fifth state.

Testifying for the bill were Senator Lamping; and Jewish Federations of St. Louis.

OPponents: There was no opposition voiced to the committee.