

SECOND REGULAR SESSION

# HOUSE BILL NO. 1810

## 96TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES JONES (89) (Sponsor) AND TALBOY (Co-sponsor).

5943L.01I

D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

To amend chapter 34, RSMo, by adding thereto one new section relating to restricting public contracts with entities that invest in the energy sector in Iran.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Chapter 34, RSMo, is amended by adding thereto one new section, to be  
2 known as section 34.225, to read as follows:

**34.225. 1. This section shall be known and may be cited as the "Iran Energy  
2 Divestment Act".**

**3 2. As used in this section, the following terms shall mean:**

**4 (1) "Awarding body", a department, board, agency, authority, or officer, agent, or  
5 other authorized representative of the public entity awarding a contract for goods or  
6 services;**

**7 (2) "Energy sector", activities to develop petroleum or natural gas resources or  
8 nuclear power;**

**9 (3) "Financial institution", the term as used in Section 14(5) of the Iran Sanctions  
10 Act of 1996 (Public Law 104-172; 50 U.S.C. 1701 note), as amended;**

**11 (4) "Iran", any agency or instrumentality of Iran;**

**12 (5) "Person", any of the following:**

**13 (a) A natural person, corporation, company, limited liability company, business  
14 association, partnership, society, trust, or any other nongovernmental entity, organization,  
15 or group;**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

16           **(b) Any governmental entity or instrumentality of a government, including a**  
17 **multilateral development institution, as defined in Section 1701(c)(3) of the International**  
18 **Financial Institutions Act (22 U.S.C. 262r(c)(3)), as amended;**

19           **(c) Any successor, subunit, parent company, or subsidiary of, or company under**  
20 **common ownership or control with, any entity described in paragraph (a) or (b) of this**  
21 **subsection;**

22           **(6) "Proscribed investor", a person that engages in investment activities in the**  
23 **energy sector in Iran. A person engages in investment activities in the energy sector in Iran**  
24 **if any of the following is true:**

25           **(a) The person has an investment of twenty million dollars or more in the energy**  
26 **sector in Iran;**

27           **(b) The person provides oil or liquified natural gas tankers, or products used to**  
28 **construct or maintain pipelines used to transport oil or liquified natural gas, for the energy**  
29 **sector in Iran;**

30           **(c) The person is a financial institution that extends twenty million dollars or more**  
31 **in credit to another person, for forty-five days or more, if that person will use the credit**  
32 **to invest in the energy sector in Iran;**

33           **(7) "Public entity", the state or any officer, official, authority, board, or**  
34 **commission of the state and any county, city, or other political subdivision of the state, or**  
35 **any institution supported in whole or in part by public funds.**

36           **3. A proscribed investor is ineligible to, and shall not, bid on, submit a proposal for,**  
37 **or enter into, a contract with a public entity for goods or services.**

38           **4. A public entity shall require a person that submits a bid or proposal to, or**  
39 **otherwise proposes to enter into a contract with, a public entity with respect to a contract**  
40 **for goods or services, that currently or within the previous three years has had business**  
41 **activities or other operations outside of the United States, to certify that the person is not**  
42 **a proscribed investor.**

43           **5. (1) If the awarding body determines that a person has submitted a false**  
44 **certification under subsection 4 of this section, the person shall be subject to the following:**

45           **(a) Pursuant to an action under subdivision (2) of this subsection, a civil penalty in**  
46 **an amount that is equal to the greater of two hundred fifty thousand dollars or twice the**  
47 **amount of the contract for which the false certification was made;**

48           **(b) Termination, without penalty, of an existing contract with the awarding body**  
49 **at the option of the awarding body;**

50           **(c) Ineligibility to bid on, or enter into, a contract with a public entity for a period**  
51 **of three years from the date of the determination that the person submitted the false**  
52 **certification.**

53           **(2) The awarding body shall report to the attorney general the name of the person**  
54 **that the awarding body determines has submitted a false certification, together with its**  
55 **information as to the false certification, and the attorney general shall determine whether**  
56 **to bring a civil action against the person to collect the penalty described in paragraph (a)**  
57 **of subdivision (1) of this subsection. If it is determined in the action that the person**  
58 **submitted a false certification, the person shall pay all costs and fees the plaintiff incurred**  
59 **in a civil action, including costs incurred by the awarding body for investigations that led**  
60 **to the finding of the false certification and all costs and fees incurred by the attorney**  
61 **general.**

62           **6. (1) If the awarding body determines that a person that has an existing contract**  
63 **with the awarding body, has submitted a pending bid or contract proposal to, or otherwise**  
64 **proposes to enter into a contract with the awarding body by using credible information**  
65 **available to the public and determines that the person is a proscribed investor, the**  
66 **awarding body shall provide ninety days written notice of its intent to not enter into or**  
67 **renew a contract for goods or services with the person. The notice shall specify that the**  
68 **person may become eligible for a future contract for goods or services with the awarding**  
69 **body if it ceases its engagement in investment activities in the energy sector in Iran.**

70           **(2) The awarding body shall provide a person determined to be a proscribed**  
71 **investor with an opportunity to demonstrate to the awarding body that it is not engaged**  
72 **in investment activities in the energy sector in Iran. If the awarding body determines that**  
73 **the person is not engaged in investment activities in the energy sector in Iran, the person**  
74 **shall be eligible to enter into or renew a contract for goods or services with the awarding**  
75 **body.**

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