

SECOND REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
SENATE COMMITTEE SUBSTITUTE FOR  
**SENATE BILL NO. 722**  
**96TH GENERAL ASSEMBLY**

5353L.08C

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:

3 **34.225. 1. This section shall be known and may be cited as the "Iran Energy**  
4 **Divestment Act".**

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

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

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

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

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

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

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

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 such financial institution had  
32 knowledge that such person will use the credit 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 in excess of one million  
38 dollars.

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

44 5. (1) The awarding body shall report to the attorney general the name of the  
45 person that the awarding body determines has submitted a false certification together with  
46 its information as to the false certification. The attorney general, upon such report or any  
47 complaint from any individual, shall determine whether to bring a civil action against the  
48 person to collect the penalty described in paragraph (a) of subdivision (2) of this  
49 subsection. If it is determined in the action that the person submitted a false certification,  
50 the person shall pay all costs and fees the plaintiff incurred in a civil action, including costs

51 incurred by the awarding body for investigations that led to the finding of the false  
52 certification and all costs and fees incurred by the attorney general.

53 (2) If the attorney general determines that a person has submitted a false  
54 certification under subsection 4 of this section, the person shall be subject to the following:

55 (a) A civil penalty of two hundred fifty thousand dollars;

56 (b) Termination, without penalty, of an existing contract with the awarding body;

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

60 6. (1) If the awarding body determines that a person that has an existing contract  
61 with the awarding body, has submitted a pending bid or contract proposal to, or otherwise  
62 proposes to enter into a contract with the awarding body by using credible information  
63 available to the public and determines that the person is a proscribed investor, the  
64 awarding body shall provide ninety days written notice of its intent to not enter into or  
65 renew a contract for goods or services with the person. The notice shall specify that the  
66 person may become eligible for a future contract for goods or services with the awarding  
67 body if it ceases its engagement in investment activities in the energy sector in Iran.

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

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