

File Number: H.F. 400

Date: February 24, 2017

Version: Third engrossment

Authors: Kresha and others

Subject: Discrimination against Israel in state contracting

Analyst: Matt Gehring, 651-296-5052

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd/.

Overview

This bill prohibits state contracts with vendors that engage in discrimination against Israel, or against persons or entities that do business in Israel, when making decisions related to the operation of the vendor's business. These requirements apply to executive branch agency contracts, including MnSCU, and contracts involving the legislative branch.

A definition of "discrimination" is included in the bill. The definition includes, but is not limited to, "engaging in refusals to deal, terminating business activities, or other actions that are intended to limit commercial relations with Israel, or persons or entities doing business in Israel," when those actions are taken in a way that discriminates on the basis of nationality or national origin without a valid business reason for doing so.

The bill clarifies that it does not restrict a vendor's rights under either the First Amendment to the United States Constitution or the Minnesota Constitution.

An exception for contracts of less than \$1,000 is provided. In addition, the commissioner of administration would be permitted to waive application of this section if the commissioner determines that compliance is not practicable or is not in the best interests of the state. The commissioner would be required to absorb the costs of implementation within existing appropriations.

The bill would apply to contracts entered into on or after July 1, 2017.

Section

- 1** **Discrimination against Israel prohibited.** Prohibits state agencies, MnSCU, and legislative branch entities from contracting with a vendor that discriminates against Israel, Israeli people, or Israeli businesses.
- 2** **Certification of compliance with this chapter.** Requires all contracts to include terms that require the vendor's certification of compliance with all provisions of the state's contacting laws and procedures.
- 3** **Cost of implementation.** Requires the commissioner of administration to absorb costs incurred in implementing this act.