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State of Minnesota

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HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 400

- 01/23/2017 Authored by Kresha, Daudt, Peppin, Applebaum, Dean, M., and others
The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy
- 02/09/2017 Adoption of Report: Amended and re-referred to the Committee on State Government Finance
- 02/16/2017 Adoption of Report: Amended and re-referred to the Committee on Ways and Means
- 02/20/2017 Adoption of Report: Placed on the General Register
Read for the Second Time
- 02/23/2017 Calendar for the Day, Amended
Read Third Time as Amended
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments
- 04/27/2017 Returned to the House as Amended by the Senate
The House concurred in the Senate Amendments and repassed the bill as Amended by the Senate
- 05/01/2017 Presented to Governor
- 05/03/2017 Governor Approval

1.1 A bill for an act

1.2 relating to state contracts; requiring that the vendor not engage in discrimination

1.3 against Israel; amending Minnesota Statutes 2016, section 16C.06, by adding a

1.4 subdivision; proposing coding for new law in Minnesota Statutes, chapters 3; 16C.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. **3.226** **CONTRACTS WITH VENDORS WHO DISCRIMINATE**

1.7 **AGAINST ISRAEL PROHIBITED.**

1.8 Subdivision 1. **Discrimination by vendor.** (a) The legislature may not enter into a

1.9 contract with a vendor that engages in discrimination against Israel, or against persons or

1.10 entities doing business in Israel, when making decisions related to the operation of the

1.11 vendor's business.

1.12 (b) For purposes of this section, "discrimination" includes but is not limited to engaging

1.13 in refusals to deal, terminating business activities, or other actions that are intended to limit

1.14 commercial relations with Israel, or persons or entities doing business in Israel, when such

1.15 actions are taken in a manner that in any way discriminates on the basis of nationality or

1.16 national origin and is not based on a valid business reason.

1.17 Subd. 2. **Exemption; legislature may waive.** (a) This section does not apply to contracts

1.18 with a value of less than \$1,000.

1.19 (b) The legislature may waive application of this section on a contract if the legislature

1.20 determines that compliance is not practicable or in the best interests of the state.

2.1 Subd. 3. **Relation to existing law.** This section does not prohibit a vendor from engaging
2.2 in free speech or expression protected under the First Amendment of the United States
2.3 Constitution or the Constitution of the state of Minnesota.

2.4 Sec. 2. **[3.227] CERTIFICATION OF COMPLIANCE WITH THIS CHAPTER.**

2.5 The legislature shall require that the terms of any contract include a certification of the
2.6 vendor's compliance with all requirements of this chapter in entering and executing the
2.7 contract.

2.8 Sec. 3. **[16C.053] CONTRACTS WITH VENDORS WHO DISCRIMINATE**
2.9 **AGAINST ISRAEL PROHIBITED.**

2.10 Subdivision 1. **Discrimination by vendor.** (a) A state agency may not enter into a
2.11 contract with a vendor that engages in discrimination against Israel, or against persons or
2.12 entities doing business in Israel, when making decisions related to the operation of the
2.13 vendor's business.

2.14 (b) For purposes of this section, "discrimination" includes but is not limited to engaging
2.15 in refusals to deal, terminating business activities, or other actions that are intended to limit
2.16 commercial relations with Israel, or persons or entities doing business in Israel, when such
2.17 actions are taken in a manner that in any way discriminates on the basis of nationality or
2.18 national origin and is not based on a valid business reason.

2.19 Subd. 2. **Exemption; commissioner may waive.** (a) This section does not apply to
2.20 contracts with a value of less than \$1,000.

2.21 (b) The commissioner may waive application of this section on a contract if the
2.22 commissioner determines that compliance is not practicable or in the best interests of the
2.23 state.

2.24 Subd. 3. **Relation to existing law.** This section does not prohibit a vendor from engaging
2.25 in free speech or expression protected under the First Amendment of the United States
2.26 Constitution or the Constitution of the state of Minnesota.

2.27 Sec. 4. Minnesota Statutes 2016, section 16C.06, is amended by adding a subdivision to
2.28 read:

2.29 Subd. 12. **Certification of compliance with this chapter.** The commissioner shall
2.30 require that the terms of any contract include a certification of the vendor's compliance with
2.31 all requirements of this chapter in entering and executing the contract.

3.1 Sec. 5. **EFFECTIVE DATE.**

3.2 Sections 1, 2, 3, and 4 are effective July 1, 2017, and apply to contracts entered into on
3.3 or after that date.