

CHAPTER 21--H.F.No. 400

An act relating to state contracts; requiring that the vendor not engage in discrimination against Israel; amending Minnesota Statutes 2016, section 16C.06, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 3; 16C.

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

Section 1. [3.226] CONTRACTS WITH VENDORS WHO DISCRIMINATE AGAINST ISRAEL PROHIBITED.

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

(b) For purposes of this section, "discrimination" 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 such actions are taken in a manner that in any way discriminates on the basis of nationality or national origin and is not based on a valid business reason.

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

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

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

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

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

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

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

(b) For purposes of this section, "discrimination" 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 such actions are taken in a manner that in any way discriminates on the basis of nationality or national origin and is not based on a valid business reason.

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

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

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

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

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

Sec. 5. **EFFECTIVE DATE.**

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

Presented to the governor May 1, 2017

Signed by the governor May 3, 2017, 1:09 p.m.