



FOR SB261

OFFERED BY SENATOR ROBERTS

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SYNOPSIS: 8

This bill would prohibit a governmental entity from 10 entering into a public contract for goods or services with certain companies or businesses that engage in 11 the economic boycott of businesses in certain sectors 12 and industries; that fail to meet or commit to meet 1.3 certain environmental standards; that fail to meet or 14 commit to meet certain corporate governance criteria; 15 or that fail to facilitate certain activities. 16 This bill would prohibit any company in the state from 17 being required by a governmental entity to engage in 18 economic boycotts or other actions that further 19 20 social, political, or ideological interests, including economic boycott criteria. 21

This bill would prohibit any company in the state from

being penalized by a governmental entity for declining

1ST FISCAL RESPONSIBILITY AND ECONOMIC DEVELOPMENT SUBSTITUT



FOR SB261

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to engage in economic boycotts or other actions that 24 further social, political, or ideological interests, 25 including economic boycott criteria. 26 27 This bill would require the Attorney General to seek to prohibit the adoption of federal laws or actions 28 29 that may penalize, inflict harm on, limit commercial 30 relations with, or change or limit the activities of 31 companies or residents of the state based on the furtherance of economic boycott criteria. 32 33 This bill would also authorize the Attorney General to investigate violations of and enforce this act. 34 35 36 A BILL 37 TO BE ENTITLED 38 AN ACT 39 40 Relating to public contracts; to prohibit governmental 41 42

Relating to public contracts; to prohibit governmental entities from entering into certain contracts with companies that boycott businesses because the business engages in certain sectors or does not meet certain environmental or corporate governance standards or does not facilitate certain activities; to provide

1ST FISCAL RESPONSIBILITY AND ECONOMIC DEVELOPMENT SUBSTITUT FOR SB261



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that no company in the state shall be required by a 47 governmental entity, nor penalized by a governmental 48 entity for declining to engage in economic boycotts or 49 other actions that further social, political, or 50 51 ideological interests; to require the Attorney General 52 to take actions to prevent federal laws or actions from penalizing, inflicting harm on, limiting 53 commercial relations with, or changing or limiting the 54 activities of companies or residents of the state 55 56 based on the furtherance of economic boycott criteria; and to authorize the Attorney General to investigate 57 and enforce this act; and to provide definitions. 58 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA: 59 Section 1. As used in this act, the following terms 60 61 have the following meanings: (1) COMPANY. A for-profit entity, organization, 62 association, corporation, partnership, joint venture, 63 limited partnership, limited liability partnership, or 64 limited liability company. The term does not include 65 66 sole proprietorships. (2) ECONOMIC BOYCOTT. Without an ordinary business 67 purpose, refusing to deal with, terminating business 68 activities with, or otherwise taking any commercial 69

1ST FISCAL RESPONSIBILITY AND ECONOMIC DEVELOPMENT SUBSTITUT



FOR SB261

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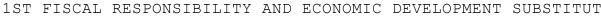
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action that is intended to penalize or inflict 70 71 economic harm on a company solely because the company, without violating controlling law or regulation, does 72 73 any of the following: 74 a. Engages in the exploration, production, 75 utilization, transportation, sale, or manufacturing of 76 fossil fuel-based energy, timber, mining, or agriculture. 77 78 b. Engages in, facilitates, or supports the 79 manufacture, import, distribution, marketing or advertising, sale, or lawful use of firearms, 80 ammunition, or component parts and accessories of 81 firearms or ammunition. 82 c. Does not meet, is not expected to meet, or does not 83 commit to meet environmental standards or disclosure 84 criteria, in particular to eliminate, reduce, offset, 85 or disclose greenhouse gas emissions. 86 d. Does not meet, is not expected to meet, or does not 87 commit to meet corporate employment or board 88 89 composition, compensation, or disclosure criteria. e. Does not facilitate, is not expected to facilitate, 90

or does not commit to facilitate access to abortion or

sex or gender change surgery, medications, treatment,





FOR SB261

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or therapies.

- 94 (3) GOVERNMENTAL ENTITY. A state agency, department,

  95 regulatory body, board, bureau, or commission, or any

  96 county, municipality, incorporated or unincorporated

  97 local government, or other political subdivision of

  98 the state.
  - (4) ORDINARY BUSINESS PURPOSE. Includes a purpose that is related to business operations and excludes a purpose that is solely related to furthering social, political, or ideological interests.
- Section 2. (a) This section applies only to a contract that meets both of the following:
  - (1) Is between a governmental entity and a company with 10 or more full-time employees.
  - (2) Will pay or may pay a company at least fifteen thousand dollars (\$15,000) over the term of the contract wholly or partly from public funds of the governmental entity; provided, however, this subdivision shall apply separately to all companies in a multiple-party contract.
- 113 (b) Except as provided by subsection (c), a

  114 governmental entity may not enter into a contract with

  115 a company for goods or services unless the contract

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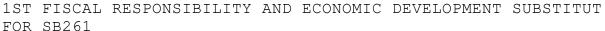
contains a written verification from the company that 116 the company, without violating controlling law or 117 regulation, does not and will not, during the term of 118 the contract, engage in economic boycotts. 119 (c) Subsection (b) does not apply to a contract 120 121 related to the issuance, incurrence, or management of 122 debt obligations, to the deposit, custody, management, 123 borrowing, or investment of funds, or to the procurement of insurance or other financial products, 124 125 or a contract that would prevent the governmental entity from obtaining the supplies or services to be 126 provided in an economically practicable manner. 127 (d) If a governmental entity is unable to comply with 128 this section without significantly increasing costs or 129 limiting the quality of options or services available, 130 131 or both, the governmental entity may waive the requirements upon a finding, posted on the 132 133 governmental entity's publicly available website that: 134 (1) The governmental entity has made reasonable and 135 good faith efforts to obtain services meeting the requirements of this section and has included the 136 requirements in the governmental entity's minimum 137 selection criteria. 138

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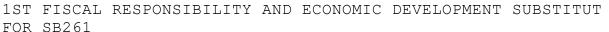
139	(2) Based on objective information available to the
140	governmental entity, the cost appears significantly
141	higher than the services available to similarly
142	oriented governmental entities not subject to similar
143	requirements, or the quality of services or options
144	appears significantly lower than the quality of
145	services available to similarly oriented governmental
146	entities not subject to similar requirements, or both.
147	(3) The governmental entity determines that a waiver
148	is clearly in the best interest of the public.
149	Section 3. (a) No party may take action to penalize or
150	threaten to penalize any governmental entity, company,
151	or business for compliance with Section 2.
152	(b) Any party violating a commitment made under
153	subsection (b) of Section 2 or otherwise violating
154	subsection (a) of this section shall have caused harm
155	to the governmental entity, including by interfering
156	with the governmental entity's sovereign interest in
157	administering its programs and with the governmental
158	entity's commercial relationships.
159	Section 4. (a) No company in this state shall be
160	required by a governmental entity to engage in
161	economic boycotts, to establish or implement policies,





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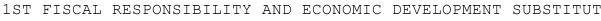
procedures, guidelines, rules, reports, products, 162 services, notices, disclosures, or rates or pricing; 163 to provide or submit answers to surveys or other 164 information requests or disclosures; to invest in or 165 divest of certain securities, stocks, bonds, bills, 166 167 partnerships, or other investment arrangements; or to 168 initiate other corporate or business practices that further social, political, or ideological interests 169 including, but not limited to, economic boycott 170 171 criteria or other similarly oriented rating. (b) No company in this state shall be penalized, have 172 economic harm inflicted on it, have commercial 173 relations limited, or have the activities of the 174 company changed or limited by a governmental entity 175 176 because the company will not engage in economic boycotts; will not establish or implement policies, 177 procedures, guidelines, rules, reports, products, 178 services, notices, disclosures, or rates or pricing; 179 180 will not provide or submit answers to surveys or other 181 information requests or disclosures; will not invest in or divest of certain securities, stocks, bonds, 182 bills, partnerships, or other investment arrangements; 183 or will not initiate other corporate or business 184





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practices that further social, political, or 185 ideological interests including, but not limited to, 186 economic boycott criteria or other similarly oriented 187 rating. 188 189 Section 5. The Attorney General shall seek to prohibit the adoption of federal laws, rules, regulations, 190 bulletins, executive orders, or other federal actions 191 that may penalize, inflict economic harm on, limit 192 commercial relations with, or change or limit the 193 194 activities of a company in the state or a resident of the state based on the furtherance of economic boycott 195 criteria or other similarly oriented rating. 196 Section 6. If any provision of this act or its 197 application to any person or circumstances is held 198 199 invalid, then the invalidity does not affect other 200 provisions or applications of this act, which can be given effect without the invalid provision or 201 202 application, and to this end the provisions of this 203 act are severable. 204 Section 7. (a) This act may be enforced only by the Attorney General. If the Attorney General declines to 205 enforce a violation of Section 4, a company can bring 206 a civil action against the governmental entity to seek 207





FOR SB261

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208 injunctive relief only.

(b) If the Attorney General has reasonable cause to 209 believe that a person has engaged in or is engaging in 210 a violation of this act, he or she may investigate 211 according to the investigative authority provided in 212 213 Section 8-19-9, Code of Alabama 1975. 214 (c) The Attorney General may use all remedies 215 available at law or in equity to enforce this act. Section 8. This act shall become effective on the 216 217 first day of the third month following its passage and approval by the Governor, or its otherwise becoming 218 law, and shall apply only to contracts entered into on 219

or after October 1, 2023.