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Substantive

AMENDMENTS TO ASSEMBLY BILL NO. 2844
AS AMENDED IN ASSEMBLY MARCH 17, 2016

Amendment 1

In the title, in line 1, strike out "amend Section 116385 of the Health and Safety", strike out line 2 and insert:

add Chapter 2.6 (commencing with Section 2100) to Part 1 of Division 2 of the Public Contract Code, relating to public contracts.

Amendment 2

On page 2, before line 1, insert:

SECTION 1. This act shall be known and may be cited as the California Combating the Boycott, Divestment, and Sanctions of Israel Act of 2016.

SEC. 2. The Legislature finds and declares the following:

(a) The United States and Israel have a unique bond based on their shared, enduring values, which are reflected in the virtues and principles of freedom and democracy, and have stood together as allies since Israel was first formed as a nation.

(b) California and Israel have established business partnerships and trade relations with each other, and those partnerships have helped enhance the agricultural, educational, energy, entertainment, health, medical, scientific, and water policies in California, Israel, and the United States.

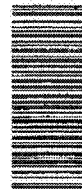
(c) On March 5, 2014, as the culmination of an effort started as Assembly Bill 1032 of the 2009–10 Regular Session, the Governor of California and the Prime Minister of Israel signed a memorandum of understanding (MOU) for strategic partnerships for joint innovation, exchanges, and cooperation between California and Israel.

(d) In July 2015, the Legislature affirmed its support for the MOU by passing Senate Concurrent Resolution 25, noting that participants in the MOU had already expanded cooperation between Israel and California in areas such as alternative energy, agriculture, business innovation, and academia, and declaring that collaboration with Israel will foster peace and democracy in the Middle East.

(e) Boycotts of Israel by companies doing business in California undermine the aforesaid express policy and purpose of encouraging trade, business, and academic cooperation between California and Israel. Therefore, it is in the best interests of the State of California that it not contract with any company participating in a boycott of Israel.

(f) Notwithstanding any other law, including, but not limited to, Section 1100.7 of the Public Contract Code, the provisions of this measure address the political nature of contracting with a company that is participating in the boycott of Israel and the need for the government of this state to respond to the policies of Israel in a uniform fashion, a matter of statewide concern, and therefore, shall apply to charter cities, charter counties, and a charter city and county.

SEC. 3. Chapter 2.6 (commencing with Section 2100) is added to Part 1 of Division 2 of the Public Contract Code, to read:



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CHAPTER 2.6. CALIFORNIA COMBATING THE BOYCOTT, DIVESTMENT, AND SANCTIONS
OF ISRAEL ACT OF 2016

2100. (a) Notwithstanding any other law, and except as provided in subdivision (d), a public entity shall not enter into a contract on or after January 1, 2017, to acquire or dispose of goods, services, information technology, or for construction if the contracting company is participating in a boycott of Israel.

(b) A public entity shall notify any company determined to be participating in a boycott of Israel that the public entity is prohibited from contracting with the company and permit that company to respond to the notification. The public entity shall request that the company take substantial action to cease its boycott of Israel no later than 90 days from the date the public entity notified the company under this subdivision. If the public entity determines that a company has taken substantial action to cease its boycott of Israel before the expiration of that 90-day period, that company shall not be subject to subdivision (a).

(c) For the purposes of this section, the following definitions shall apply:

(1) (A) "Boycott Israel" or "boycott of Israel" means refusing to deal with, terminating business activities with, or taking other actions that are intended to penalize, inflict economic harm, or otherwise limit commercial relations with Israel or persons or entities incorporated in Israel or doing business in Israel for reasons other than business, investment, or commercial reasons. A statement by a company that it is participating in a boycott of Israel, or that it has initiated a boycott in response to a request for a boycott of Israel or in compliance with, or in furtherance of, calls for a boycott of Israel, may be considered by a public entity to be evidence that a company is participating in a boycott of Israel.

(B) "Boycott" does not include any of the following:

- (i) A decision based on business or economic reasons.
- (ii) Termination or prohibition of commercial activity within a particular jurisdiction that is required by federal or state law.

(2) "Company" means a sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company, or other entity or business association, including all wholly owned subsidiaries, majority-owned subsidiaries, and parent companies, that exists for the purpose of making profit.

(3) "Public entity" shall have the same meaning as defined in subdivision (a) of Section 5100.

(d) This section shall not apply to a contract if either of the following apply:

- (1) The total value of the contract is less than ten thousand dollars (\$10,000).
- (2) The public entity makes a formal, written determination that the goods, services, information technology, or other matters that are the subject of the contract are necessary for the public entity to perform its functions and that, absent this exemption, the public entity would be unable to obtain said goods, services, information technology, or other matters for which the contract is offered.

2101. The provisions of this chapter shall supersede any inconsistent provisions in the charter of a charter city, charter county, or charter city and county.

2102. The Governor's Office of Business and Economic Development shall recommend tools to incentivize business and academic collaboration, trade, and partnership between Israel and California and to disincentivize any and all barriers hindering that collaboration, trade, and partnership, pursuant to Senate Concurrent Resolution 121 of the 2014 Regular Session and Senate Concurrent Resolution 25 of the 2015 Regular Session. These incentives may include, but not be limited to, tax credits, partnership subsidies, innovative grant programs, job creation initiatives, and contracting preferences.

SEC. 4. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

Amendment 3
On page 2, strike out lines 1 to 26, inclusive