

HOUSE BILL 877

P2

3lr1442
CF SB 811

By: **Delegates Morhaim, Anderson, Arora, Aumann, Barnes, Barve, Burns, Cardin, Carr, Cluster, Cullison, DeBoy, Eckardt, Feldman, Frank, Frick, Haddaway–Riccio, Hubbard, Impallaria, Kaiser, Kipke, Kramer, Lafferty, Lee, Malone, McDermott, McDonough, A. Miller, W. Miller, Mizeur, Nathan–Pulliam, Olszewski, Pendergrass, Ready, Reznik, B. Robinson, Rosenberg, Simmons, Sophocleus, Stein, Stifler, Stocksdale, Summers, Tarrant, Waldstreicher, and Weir**

Introduced and read first time: February 7, 2013

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Procurement – Investment Activities in Iran – Board of Public Works**
3 **Authority to Adopt Regulations**

4 FOR the purpose of requiring the Board of Public Works to adopt certain regulations if
5 the Board determines that certain acts, laws, or amendments authorize or
6 require the reduction of certain dollar amounts or alteration of certain
7 parameters relating to certain investment activities in Iran; clarifying the
8 intent of the General Assembly; requiring the Department of Legislative
9 Services to provide certain written notice concerning certain legislation to the
10 Attorney General of the United States; clarifying that certain legislation that
11 amends certain provisions of law is severable; providing for the termination of
12 certain legislation that amends certain provisions of law; requiring the Board to
13 notify the Department of Legislative Services of certain events within a certain
14 time period; and generally relating to persons that engage in investment
15 activities in Iran and the authority of the Board of Public Works to adopt
16 regulations.

17 BY repealing and reenacting, without amendments,
18 Article – State Finance and Procurement
19 Section 17–701, 17–703, and 17–707
20 Annotated Code of Maryland
21 (2009 Replacement Volume and 2012 Supplement)

22 BY repealing and reenacting, with amendments,
23 Article – State Finance and Procurement

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 17–702
2 Annotated Code of Maryland
3 (2009 Replacement Volume and 2012 Supplement)

4 BY repealing and reenacting, with amendments,
5 Chapter 447 of the Acts of the General Assembly of 2012
6 Section 2 through 5

7 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
8 MARYLAND, That the Laws of Maryland read as follows:

9 **Article – State Finance and Procurement**

10 17–701.

11 (a) In this subtitle the following words have the meanings indicated.

12 (b) “Energy sector of Iran” means activities to develop petroleum or natural
13 gas resources or nuclear power in Iran.

14 (c) “Financial institution” has the meaning stated in Section 14 of the Iran
15 Sanctions Act of 1996 (Public Law 104–172).

16 (d) “Iran” includes the government of Iran and any agency or instrumentality
17 of Iran.

18 (e) “Person” includes:

19 (1) a natural person, corporation, company, limited liability company,
20 business association, partnership, society, trust, or any other nongovernmental entity,
21 organization, or group;

22 (2) a governmental entity or instrumentality of a government,
23 including a multilateral development institution, as defined by the federal
24 International Financial Institutions Act, 22 U.S.C. 262r(c)(3); or

25 (3) any parent, successor, subunit, direct or indirect subsidiary of, or
26 any entity under common ownership or control with, an entity described in item (1) or
27 (2) of this subsection.

28 (f) “Public body” means:

29 (1) the State;

30 (2) a county, municipal corporation, or other political subdivision;

31 (3) a public instrumentality; or

1 (4) any governmental unit authorized to award a contract.

2 17-702.

3 (A) For purposes of this subtitle, a person engages in investment activities in
4 Iran if:

5 (1) the person provides goods or services of \$20,000,000 or more in the
6 energy sector of Iran, including a person that provides oil or liquefied natural gas
7 tankers or products used to construct or maintain pipelines used to transport oil or
8 liquefied natural gas for the energy sector of Iran; or

9 (2) the person is a financial institution that extends \$20,000,000 or
10 more in credit to another person for 45 days or more if the person to whom the credit is
11 extended:

12 (i) will use the credit to provide goods or services in the energy
13 sector of Iran as described in item (1) of this section; and

14 (ii) is, at the time of the extension of credit, identified on a list
15 created under § 17-704 of this subtitle as a person engaging in investment activities in
16 Iran.

17 (B) IF THE BOARD DETERMINES THAT THE COMPREHENSIVE IRAN
18 SANCTIONS, ACCOUNTABILITY, AND DIVESTMENT ACT OF 2010 HAS BEEN
19 AMENDED OR ANY OTHER FEDERAL ACT OR LAW HAS BEEN ENACTED OR
20 AMENDED THAT AUTHORIZES OR REQUIRES THE REDUCTION OF THE DOLLAR
21 AMOUNTS PROVIDED FOR IN THIS SECTION OR OTHERWISE ALTERS THE
22 PARAMETERS OF INVESTMENT ACTIVITIES IN IRAN FOR THE PURPOSE OF
23 IMPOSING SANCTIONS, THE BOARD SHALL ADOPT REGULATIONS TO REDUCE
24 THE DOLLAR AMOUNTS OR ALTER THE PARAMETERS.

25 17-703.

26 A person that, at the time of bid or proposal for a new contract or renewal of an
27 existing contract, is identified on a list created by the Board under § 17-704 of this
28 subtitle as a person engaging in investment activities in Iran is ineligible to, and may
29 not bid on, submit a proposal for, or enter into or renew a contract with a public body
30 for goods or services.

31 17-707.

32 This subtitle preempts any law, ordinance, rule, or regulation of any local
33 governing body involving procurement contracts for goods or services with a person
34 engaged in investment activities in Iran.

1 **Chapter 447 of the Acts of 2012**

2 SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the
3 General Assembly to implement the authority granted under Section 202 of the
4 Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 **AND ANY**
5 **FEDERAL ACT OR LAW THAT AMENDS THE ACT OR OTHERWISE REGULATES**
6 **INVESTMENT ACTIVITIES IN IRAN.**

7 SECTION 3. AND BE IT FURTHER ENACTED, That the Department of
8 Legislative Services shall submit to the Attorney General of the United States written
9 notice of the requirements of this Act **OR ANY OTHER LEGISLATION PASSED BY THE**
10 **GENERAL ASSEMBLY THAT AMENDS THIS ACT** within 30 days after the Act **OR**
11 **LEGISLATION** takes effect.

12 SECTION 4. AND BE IT FURTHER ENACTED, That if any provision of this
13 Act **OR LEGISLATION PASSED BY THE GENERAL ASSEMBLY THAT AMENDS THIS**
14 **ACT** or the application thereof to any person or circumstance is held invalid for any
15 reason in a court of competent jurisdiction, the invalidity does not affect other
16 provisions or any other application of this Act **OR LEGISLATION PASSED BY THE**
17 **GENERAL ASSEMBLY THAT AMENDS THIS ACT** which can be given effect without
18 the invalid provision or application, and for this purpose the provisions of this Act **OR**
19 **ANY LEGISLATION PASSED BY THE GENERAL ASSEMBLY THAT AMENDS THIS**
20 **ACT** are declared severable.

21 SECTION 5. AND BE IT FURTHER ENACTED, That:

22 (a) This Act **OR ANY OTHER LEGISLATION THE GENERAL ASSEMBLY**
23 **PASSES THAT AMENDS THIS ACT** shall remain in effect until:

24 (1) the Congress or the President of the United States affirmatively
25 and unambiguously declares, by means including, but not limited to, legislation,
26 executive order, or written certification from the President to Congress that Iran is no
27 longer seeking a nuclear weapons capability and no longer supports international
28 terrorism; or

29 (2) federal law no longer authorizes the states to adopt and enforce
30 provisions of the type authorized in this Act **OR ANY OTHER LEGISLATION THE**
31 **GENERAL ASSEMBLY PASSES THAT AMENDS THIS ACT.**

32 (b) The Board of Public Works shall notify the Department of Legislative
33 Services within 5 days after the occurrence of an event described in subsection (a) of
34 this section and, as of the date the event occurred, with no further action required by
35 the General Assembly, this Act **OR ANY OTHER LEGISLATION THE GENERAL**

1 ASSEMBLY PASSES THAT AMENDS THIS ACT shall be abrogated and of no further
2 force and effect.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 October 1, 2013.