

SENATE BILL 811

P2

3lr3083
CF 3lr1442

By: **Senator Rosapepe**

Introduced and read first time: February 1, 2013

Assigned to: Education, Health, and Environmental Affairs

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
24 Section 17–702
25 Annotated Code of Maryland
26 (2009 Replacement Volume and 2012 Supplement)

27 BY repealing and reenacting, with amendments,
28 Chapter 447 of the Acts of the General Assembly of 2012

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 2 through 5

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

4 **Article – State Finance and Procurement**

5 17–701.

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

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

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

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

13 (e) “Person” includes:

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

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

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

23 (f) “Public body” means:

24 (1) the State;

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

26 (3) a public instrumentality; or

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

28 17–702.

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

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

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

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

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

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

23 17-703.

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

29 17-707.

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

33 **Chapter 447 of the Acts of 2012**

34 SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the
35 General Assembly to implement the authority granted under Section 202 of the

1 Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 **AND ANY**
2 **FEDERAL ACT OR LAW THAT AMENDS THE ACT OR OTHERWISE REGULATES**
3 **INVESTMENT ACTIVITIES IN IRAN.**

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

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

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

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

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

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

29 (b) The Board of Public Works shall notify the Department of Legislative
30 Services within 5 days after the occurrence of an event described in subsection (a) of
31 this section and, as of the date the event occurred, with no further action required by
32 the General Assembly, this Act **OR ANY OTHER LEGISLATION THE GENERAL**
33 **ASSEMBLY PASSES THAT AMENDS THIS ACT** shall be abrogated and of no further
34 force and effect.

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