IRAN ECONOMIC SANCTIONS ACT

Act 517 of 2012

AN ACT to prohibit persons who have certain economic relationships with Iran from submitting bids on requests for proposals with this state, political subdivisions of this state, and other public entities; to require bidders for certain public contracts to submit certification of eligibility with the bid; to require reports; and to provide for sanctions for false certification.

History: 2012, Act 517, Eff. Apr. 1, 2013

The People of the State of Michigan enact:

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129.311 Short title.

Sec. 1.

This act shall be known and may be cited as the "Iran economic sanctions act".

History: 2012, Act 517, Eff. Apr. 1, 2013

129.312 Definitions.

Sec. 2.

As used in this act:

(a) "Energy sector of Iran" means activities to develop petroleum or natural gas resources or nuclear power in Iran.

(b) "Investment" means 1 or more of the following:

(i) A commitment or contribution of funds or property.

(ii) A loan or other extension of credit.

(iii) The entry into or renewal of a contract for goods or services.

(c) "Investment activity" means 1 or more of the following:

(i) A person who has an investment of $20,000,000.00 or more in the energy sector of Iran.

(ii) A financial institution that extends $20,000,000.00 or more in credit to another person, for 45 days or more, if that person will use the credit for investment in the energy sector of Iran.

(d) "Iran" means any agency or instrumentality of Iran.

(e) "Iran linked business" means either of the following:

(i) A person engaging in investment activities in the energy sector of Iran, including a person that provides oil or liquefied natural gas tankers or products used to construct or maintain pipelines used to transport oil or liquefied natural gas for the energy sector of Iran.

(ii) A financial institution that extends credit to another person, if that person will use the credit to engage in investment activities in the energy sector of Iran.

(f) "Person" means any of the following:

(i) An individual, corporation, company, limited liability company, business association, partnership, society, trust, or any other nongovernmental entity, organization, or group.

(ii) Any governmental entity or instrumentality of a government, including a multilateral development institution, as defined in section 1701(c)(3) of the international financial institutional act, 22 USC 262r(c)(3).

(iii) Any successor, subunit, parent company, or subsidiary of, or company under common ownership or control with, any entity described in subparagraph (i) or (ii).

(g) "Public entity" means this state or an agency or authority of this state, school district, community college district, intermediate school district, city, village, township, county, public authority, or public airport authority.

History: 2012, Act 517, Eff. Apr. 1, 2013

129.313 Ineligibility of Iran linked business to submit request for proposal bid; certification.

Sec. 3.

(1) Beginning April 1, 2013, an Iran linked business is not eligible to submit a bid on a request for proposal with a public entity.

(2) Beginning April 1, 2013, a public entity shall require a person that submits a bid on a request for proposal with the public entity to certify that it is not an Iran linked business.

History: 2012, Act 517, Eff. Apr. 1, 2013

129.314 Effect of false certification.

Sec. 4.

If a public entity determines, using credible information available to the public, that a person has submitted a false certification under section 3(2), the public entity shall provide the person with written notice of its determination and of the intent not to enter into or renew a contract with the person. The notice shall include information on how to contest the determination and specify that the person may become eligible for a future contract with the public entity if the person ceases the activities that cause it to be an Iran linked business. The person shall have 90 days following receipt of the notice to respond in writing and to demonstrate that the determination of false certification was made in error. If a person does not make that demonstration within 90 days after receipt of the notice, the public entity may terminate any existing contract and shall report the name of the person to the attorney general together with information supporting the determination.

History: 2012, Act 517, Eff. Apr. 1, 2013

129.315 Civil action; penalty.

Sec. 5.

The attorney general may bring a civil action against any person reported under section 4. If a civil action results in a finding that the person submitted a false certification, the person is responsible for a civil penalty of not more than $250,000.00 or 2 times the amount of the contract or proposed contract for which the false certification was made, whichever is greater, the cost of the public entity's investigation, and reasonable attorney fees, in addition to the fine. A person who submitted a false certification shall be ineligible to bid on a request for proposal for 3 years from the date the public entity determines that the person has submitted the false certification.

History: 2012, Act 517, Eff. Apr. 1, 2013

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129.316 Conditional effect.

Sec. 6.

The provisions of this act are effective only if Iran is a state sponsor of terror as defined under section 2 of the divestment from terror act, 2008 PA 234, MCL 129.292.

History: 2012, Act 517, Eff. Apr. 1, 2013

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