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SYNOPSIS:

This bill would prohibit a governmental entity from entering into a public contract for goods or services with certain companies or businesses that engage in the economic boycott of businesses in certain sectors and industries; that fail to meet or commit to meet certain environmental standards; that fail to meet or commit to meet certain corporate governance criteria; or that fail to facilitate certain activities.

This bill would prohibit any company in the state from being required by a governmental entity to engage in economic boycotts or other actions that further social, political, or ideological interests, including economic boycott criteria.

This bill would prohibit any company in the state from being penalized by a governmental entity for declining



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24 to engage in economic boycotts or other actions that
25 further social, political, or ideological interests,
26 including economic boycott criteria.

27 This bill would require the Attorney General to seek
28 to prohibit the adoption of federal laws or actions
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
32 furtherance of economic boycott criteria.

33 This bill would also authorize the Attorney General to
34 investigate violations of and enforce this act.

35

36

37 A BILL

38 TO BE ENTITLED

39 AN ACT

40

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



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47 that no company in the state shall be required by a
48 governmental entity, nor penalized by a governmental
49 entity for declining to engage in economic boycotts or
50 other actions that further social, political, or
51 ideological interests; to require the Attorney General
52 to take actions to prevent federal laws or actions
53 from penalizing, inflicting harm on, limiting
54 commercial relations with, or changing or limiting the
55 activities of companies or residents of the state
56 based on the furtherance of economic boycott criteria;
57 and to authorize the Attorney General to investigate
58 and enforce this act; and to provide definitions.

59 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

60 Section 1. As used in this act, the following terms
61 have the following meanings:

62 (1) COMPANY. A for-profit entity, organization,
63 association, corporation, partnership, joint venture,
64 limited partnership, limited liability partnership, or
65 limited liability company. The term does not include
66 sole proprietorships.

67 (2) ECONOMIC BOYCOTT. Without an ordinary business
68 purpose, refusing to deal with, terminating business
69 activities with, or otherwise taking any commercial



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70 action that is intended to penalize or inflict
71 economic harm on a company solely because the company,
72 without violating controlling law or regulation, does
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
77 agriculture.
78 b. Engages in, facilitates, or supports the
79 manufacture, import, distribution, marketing or
80 advertising, sale, or lawful use of firearms,
81 ammunition, or component parts and accessories of
82 firearms or ammunition.
83 c. Does not meet, is not expected to meet, or does not
84 commit to meet environmental standards or disclosure
85 criteria, in particular to eliminate, reduce, offset,
86 or disclose greenhouse gas emissions.
87 d. Does not meet, is not expected to meet, or does not
88 commit to meet corporate employment or board
89 composition, compensation, or disclosure criteria.
90 e. Does not facilitate, is not expected to facilitate,
91 or does not commit to facilitate access to abortion or
92 sex or gender change surgery, medications, treatment,



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93 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.

99 (4) ORDINARY BUSINESS PURPOSE. Includes a purpose that
100 is related to business operations and excludes a
101 purpose that is solely related to furthering social,
102 political, or ideological interests.

103 Section 2. (a) This section applies only to a contract
104 that meets both of the following:

105 (1) Is between a governmental entity and a company
106 with 10 or more full-time employees.

107 (2) Will pay or may pay a company at least fifteen
108 thousand dollars (\$15,000) over the term of the
109 contract wholly or partly from public funds of the
110 governmental entity; provided, however, this
111 subdivision shall apply separately to all companies in
112 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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116 contains a written verification from the company that
117 the company, without violating controlling law or
118 regulation, does not and will not, during the term of
119 the contract, engage in economic boycotts.

120 (c) Subsection (b) does not apply to a contract
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
124 procurement of insurance or other financial products,
125 or a contract that would prevent the governmental
126 entity from obtaining the supplies or services to be
127 provided in an economically practicable manner.

128 (d) If a governmental entity is unable to comply with
129 this section without significantly increasing costs or
130 limiting the quality of options or services available,
131 or both, the governmental entity may waive the
132 requirements upon a finding, posted on the
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
136 requirements of this section and has included the
137 requirements in the governmental entity's minimum
138 selection criteria.



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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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162 procedures, guidelines, rules, reports, products,
163 services, notices, disclosures, or rates or pricing;
164 to provide or submit answers to surveys or other
165 information requests or disclosures; to invest in or
166 divest of certain securities, stocks, bonds, bills,
167 partnerships, or other investment arrangements; or to
168 initiate other corporate or business practices that
169 further social, political, or ideological interests
170 including, but not limited to, economic boycott
171 criteria or other similarly oriented rating.

172 (b) No company in this state shall be penalized, have
173 economic harm inflicted on it, have commercial
174 relations limited, or have the activities of the
175 company changed or limited by a governmental entity
176 because the company will not engage in economic
177 boycotts; will not establish or implement policies,
178 procedures, guidelines, rules, reports, products,
179 services, notices, disclosures, or rates or pricing;
180 will not provide or submit answers to surveys or other
181 information requests or disclosures; will not invest
182 in or divest of certain securities, stocks, bonds,
183 bills, partnerships, or other investment arrangements;
184 or will not initiate other corporate or business



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185 practices that further social, political, or
186 ideological interests including, but not limited to,
187 economic boycott criteria or other similarly oriented
188 rating.

189 Section 5. The Attorney General shall seek to prohibit
190 the adoption of federal laws, rules, regulations,
191 bulletins, executive orders, or other federal actions
192 that may penalize, inflict economic harm on, limit
193 commercial relations with, or change or limit the
194 activities of a company in the state or a resident of
195 the state based on the furtherance of economic boycott
196 criteria or other similarly oriented rating.

197 Section 6. If any provision of this act or its
198 application to any person or circumstances is held
199 invalid, then the invalidity does not affect other
200 provisions or applications of this act, which can be
201 given effect without the invalid provision or
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
205 Attorney General. If the Attorney General declines to
206 enforce a violation of Section 4, a company can bring
207 a civil action against the governmental entity to seek



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208 injunctive relief only.

209 (b) If the Attorney General has reasonable cause to
210 believe that a person has engaged in or is engaging in
211 a violation of this act, he or she may investigate
212 according to the investigative authority provided in
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.
216 Section 8. This act shall become effective on the
217 first day of the third month following its passage and
218 approval by the Governor, or its otherwise becoming
219 law, and shall apply only to contracts entered into on
220 or after October 1, 2023.