



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

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

This bill would require the Attorney General to seek to prohibit the adoption of federal laws or actions that may penalize, inflict harm on, limit commercial relations with, or change or limit the activities of companies or residents of the state based



29 on the furtherance of economic boycott criteria.

30 This bill would also authorize the Attorney  
31 General to investigate violations of and enforce this  
32 act.

33

34

35

A BILL

36

TO BE ENTITLED

37

AN ACT

38

39 Relating to public contracts; to prohibit governmental  
40 entities from entering into certain contracts with companies  
41 that boycott businesses because the business engages in  
42 certain sectors or does not meet certain environmental or  
43 corporate governance standards or does not facilitate certain  
44 activities; to provide that no company in the state shall be  
45 required by a governmental entity, nor penalized by a  
46 governmental entity for declining to engage in economic  
47 boycotts or other actions that further social, political, or  
48 ideological interests; to require the Attorney General to take  
49 actions to prevent federal laws or actions from penalizing,  
50 inflicting harm on, limiting commercial relations with, or  
51 changing or limiting the activities of companies or residents  
52 of the state based on the furtherance of economic boycott  
53 criteria; and to authorize the Attorney General to investigate  
54 and enforce this act; and to provide definitions.

55 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

56 Section 1. As used in this act, the following terms



57 have the following meanings:

58 (1) COMPANY. A for-profit entity, organization,  
59 association, corporation, partnership, joint venture, limited  
60 partnership, limited liability partnership, or limited  
61 liability company. The term does not include sole  
62 proprietorships.

63 (2) ECONOMIC BOYCOTT. Without an ordinary business  
64 purpose, refusing to deal with, terminating business  
65 activities with, or otherwise taking any commercial action  
66 that is intended to penalize or inflict economic harm on a  
67 company solely because the company, without violating  
68 controlling law or regulation, does any of the following:

69 a. Engages in the exploration, production, utilization,  
70 transportation, sale, or manufacturing of fossil fuel-based  
71 energy, timber, mining, or agriculture.

72 b. Engages in, facilitates, or supports the  
73 manufacture, import, distribution, marketing or advertising,  
74 sale, or lawful use of firearms, ammunition, or component  
75 parts and accessories of firearms or ammunition.

76 c. Does not meet, is not expected to meet, or does not  
77 commit to meet environmental standards or disclosure criteria,  
78 in particular to eliminate, reduce, offset, or disclose  
79 greenhouse gas emissions.

80 d. Does not meet, is not expected to meet, or does not  
81 commit to meet corporate employment or board composition,  
82 compensation, or disclosure criteria.

83 e. Does not facilitate, is not expected to facilitate,  
84 or does not commit to facilitate access to abortion or sex or



85 gender change surgery, medications, treatment, or therapies.

86 (3) GOVERNMENTAL ENTITY. A state agency, department,  
87 regulatory body, board, bureau, or commission, or any county,  
88 municipality, incorporated or unincorporated local government,  
89 or other political subdivision of the state.

90 (4) ORDINARY BUSINESS PURPOSE. Includes a purpose that  
91 is related to business operations and excludes a purpose that  
92 is solely related to furthering social, political, or  
93 ideological interests.

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

96 (1) Is between a governmental entity and a company with  
97 10 or more full-time employees.

98 (2) Will pay or may pay a company at least fifteen  
99 thousand dollars (\$15,000) over the term of the contract  
100 wholly or partly from public funds of the governmental entity;  
101 provided, however, this subdivision shall apply separately to  
102 all companies in a multiple-party contract.

103 (b) Except as provided by subsection (c), a  
104 governmental entity may not enter into a contract with a  
105 company for goods or services unless the contract contains a  
106 written verification from the company that the company,  
107 without violating controlling law or regulation, does not and  
108 will not, during the term of the contract, engage in economic  
109 boycotts.

110 (c) Subsection (b) does not apply to a contract related  
111 to the issuance, incurrence, or management of debt  
112 obligations, to the deposit, custody, management, borrowing,



113 or investment of funds, or to the procurement of insurance or  
114 other financial products, or a contract that would prevent the  
115 governmental entity from obtaining the supplies or services to  
116 be provided in an economically practicable manner.

117 (d) If a governmental entity is unable to comply with  
118 this section without significantly increasing costs or  
119 limiting the quality of options or services available, or  
120 both, the governmental entity may waive the requirements upon  
121 a finding, posted on the governmental entity's publicly  
122 available website that:

123 (1) The governmental entity has made reasonable and  
124 good faith efforts to obtain services meeting the requirements  
125 of this section and has included the requirements in the  
126 governmental entity's minimum selection criteria.

127 (2) Based on objective information available to the  
128 governmental entity, the cost appears significantly higher  
129 than the services available to similarly oriented governmental  
130 entities not subject to similar requirements, or the quality  
131 of services or options appears significantly lower than the  
132 quality of services available to similarly oriented  
133 governmental entities not subject to similar requirements, or  
134 both.

135 (3) The governmental entity determines that a waiver is  
136 clearly in the best interest of the public.

137 Section 3. (a) No party may take action to penalize or  
138 threaten to penalize any governmental entity, company, or  
139 business for compliance with Section 2.

140 (b) Any party violating a commitment made under



141 subsection (b) of Section 2 or otherwise violating subsection  
142 (a) of this section shall have caused harm to the governmental  
143 entity, including by interfering with the governmental  
144 entity's sovereign interest in administering its programs and  
145 with the governmental entity's commercial relationships.

146 Section 4. (a) No company in this state shall be  
147 required by a governmental entity to engage in economic  
148 boycotts, to establish or implement policies, procedures,  
149 guidelines, rules, reports, products, services, notices,  
150 disclosures, or rates or pricing; to provide or submit answers  
151 to surveys or other information requests or disclosures; to  
152 invest in or divest of certain securities, stocks, bonds,  
153 bills, partnerships, or other investment arrangements; or to  
154 initiate other corporate or business practices that further  
155 social, political, or ideological interests including, but not  
156 limited to, economic boycott criteria or other similarly  
157 oriented rating.

158 (b) No company in this state shall be penalized, have  
159 economic harm inflicted on it, have commercial relations  
160 limited, or have the activities of the company changed or  
161 limited by a governmental entity because the company will not  
162 engage in economic boycotts; will not establish or implement  
163 policies, procedures, guidelines, rules, reports, products,  
164 services, notices, disclosures, or rates or pricing; will not  
165 provide or submit answers to surveys or other information  
166 requests or disclosures; will not invest in or divest of  
167 certain securities, stocks, bonds, bills, partnerships, or  
168 other investment arrangements; or will not initiate other



169 corporate or business practices that further social,  
170 political, or ideological interests including, but not limited  
171 to, economic boycott criteria or other similarly oriented  
172 rating.

173           Section 5. The Attorney General shall seek to prohibit  
174 the adoption of federal laws, rules, regulations, bulletins,  
175 executive orders, or other federal actions that may penalize,  
176 inflict economic harm on, limit commercial relations with, or  
177 change or limit the activities of a company in the state or a  
178 resident of the state based on the furtherance of economic  
179 boycott criteria or other similarly oriented rating.

180           Section 6. If any provision of this act or its  
181 application to any person or circumstances is held invalid,  
182 then the invalidity does not affect other provisions or  
183 applications of this act, which can be given effect without  
184 the invalid provision or application, and to this end the  
185 provisions of this act are severable.

186           Section 7. (a) This act may be enforced only by the  
187 Attorney General. If the Attorney General declines to enforce  
188 a violation of Section 4, a company can bring a civil action  
189 against the governmental entity to seek injunctive relief  
190 only.

191           (b) If the Attorney General has reasonable cause to  
192 believe that a person has engaged in or is engaging in a  
193 violation of this act, he or she may investigate according to  
194 the investigative authority provided in Section 8-19-9, Code  
195 of Alabama 1975.

196           (c) The Attorney General may use all remedies available



197 at law or in equity to enforce this act.

198 Section 8. This act shall become effective on the first  
199 day of the third month following its passage and approval by  
200 the Governor, or its otherwise becoming law, and shall apply  
201 only to contracts entered into on or after October 1, 2023.