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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. **1246**

02/18/2021 Authored by Sandell, Lippert, Becker-Finn, Liebling, Hollins and others  
The bill was read for the first time and referred to the Committee on State Government Finance and Elections

1.1 A bill for an act  
1.2 relating to state government; eliminating contracting restrictions on the legislature  
1.3 and executive branch based on vendor practices toward Israel; repealing Minnesota  
1.4 Statutes 2020, sections 3.226; 16C.053.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. **REPEALER.**

1.7 Minnesota Statutes 2020, sections 3.226; and 16C.053, are repealed.

1.8 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
1.9 applies to contracts for which a solicitation is published on or after that date, or to contracts  
1.10 entered on or after that date if a solicitation is not required.

**3.226 CONTRACTS WITH VENDORS WHO DISCRIMINATE AGAINST ISRAEL PROHIBITED.**

Subdivision 1. **Discrimination by vendor.** (a) The legislature may not enter into a contract with a vendor that engages in discrimination against Israel, or against persons or entities doing business in Israel, when making decisions related to the operation of the vendor's business.

(b) For purposes of this section, "discrimination" includes but is not limited to engaging in refusals to deal, terminating business activities, or other actions that are intended to limit commercial relations with Israel, or persons or entities doing business in Israel, when such actions are taken in a manner that in any way discriminates on the basis of nationality or national origin and is not based on a valid business reason.

Subd. 2. **Exemption; legislature may waive.** (a) This section does not apply to contracts with a value of less than \$50,000.

(b) The legislature may waive application of this section on a contract if the legislature determines that compliance is not practicable or in the best interests of the state.

Subd. 3. **Relation to existing law.** This section does not prohibit a vendor from engaging in free speech or expression protected under the First Amendment of the United States Constitution or the Constitution of the state of Minnesota.

**16C.053 CONTRACTS WITH VENDORS WHO DISCRIMINATE AGAINST ISRAEL PROHIBITED.**

Subdivision 1. **Discrimination by vendor.** (a) A state agency may not enter into a contract with a vendor that engages in discrimination against Israel, or against persons or entities doing business in Israel, when making decisions related to the operation of the vendor's business.

(b) For purposes of this section, "discrimination" includes but is not limited to engaging in refusals to deal, terminating business activities, or other actions that are intended to limit commercial relations with Israel, or persons or entities doing business in Israel, when such actions are taken in a manner that in any way discriminates on the basis of nationality or national origin and is not based on a valid business reason.

Subd. 2. **Exemption; commissioner may waive.** (a) This section does not apply to contracts with a value of less than \$50,000.

(b) The commissioner may waive application of this section on a contract if the commissioner determines that compliance is not practicable or in the best interests of the state.

Subd. 3. **Relation to existing law.** This section does not prohibit a vendor from engaging in free speech or expression protected under the First Amendment of the United States Constitution or the Constitution of the state of Minnesota.