

CHAPTER 2025-192

Committee Substitute for Committee Substitute for Senate Bill No. 1678

An act relating to entities that boycott Israel; amending s. 215.4725, F.S.; defining terms; revising definitions; requiring the public fund to make its best efforts to identify certain institutions, organizations, agencies, governments, and other entities in which the public fund has direct or indirect holdings; requiring the public fund to compile and make available the Scrutinized Companies or Other Entities that Boycott Israel List; requiring the public fund to quarterly update and make publicly available such list; revising the procedures the public fund must follow for assembling companies or other entities on such list; requiring the Department of Management Services to work with the public fund to determine the companies or other entities with which the state contracts or has grant agreements; requiring the department to notify certain companies that they may be barred from future contracts with the state; requiring the public fund to file a certain report with each member of the Board of Trustees of the State Board of Administration and with the Legislature which includes such list; requiring the public fund to file a certain report with a summary of correspondence between other entities and the public fund; requiring that specified actions be adopted and incorporated into a certain statement; amending s. 265.286, F.S.; requiring applicants to sign a certification form attesting that they comply with specified antidiscrimination laws and will not engage in antisemitic discrimination or antisemitic speech in conjunction with the program or project for which their grant is awarded; disqualifying for a specified timeframe grant applicants that engage in boycotts, antisemitic discrimination, or antisemitic speech; requiring recipients found to have engaged in boycotts or antisemitic discrimination in violation of their certification to pay a specified penalty; authorizing individuals to file a written complaint to the Attorney General for not pursuing a cause of action within a specified timeframe; requiring the Attorney General to provide a written response within a specified timeframe; amending s. 287.135, F.S.; revising the definition of the term "awarding body"; revising the contract values that prohibit a company or other entity from being eligible to bid on, submit a proposal for, or enter into or renew a contract with an agency or local governmental entity; requiring agencies and local governmental entities that enter into or renew a contract to include a specific termination provision; authorizing agencies and local governmental entities to bid on, submit a proposal for, or enter into or renew a contract for goods and services with other entities that boycott Israel under specified circumstances; requiring other entities to submit a certain certification at the same time as they submit a bid or proposal or enter into or renew a contract with an agency or local governmental entity; authorizing civil actions against companies and other entities under specified conditions; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Section 215.4725, Florida Statutes, is amended to read:

215.4725 ~~Prohibited investments by the State Board of Administration;~~
companies and other entities that boycott Israel.—

(1) DEFINITIONS.—As used in this section, the term:

(a) “Agency” means any of the various state officers, departments, boards, commissions, divisions, bureaus, and councils and any other unit of organization, however designated, of the executive branch of state government.

(b) “Boycott Israel” or “boycott of Israel” means refusing to deal, terminating business activities, or taking other actions to limit commercial relations with Israel, or persons or entities doing business in Israel or in Israeli-controlled territories, in a discriminatory manner. A statement by a company, an educational institution, a nonprofit organization, an agency, a local governmental entity or unit thereof, or a foreign government that it is participating in a boycott of Israel, or that it has initiated a boycott in response to a request for a boycott of Israel or in compliance with, or in furtherance of, calls for a boycott of Israel, may be considered by the State Board of Administration to be evidence that a company or other entity is participating in a boycott of Israel. The term includes taking adverse action, including changes to published commercial financial ratings, risk ratings, and controversy ratings based on nonpecuniary factors, to inflict economic harm on Israel or persons or entities doing business in Israel or in Israeli-controlled territories. The term includes trade practices that are prohibited by federal regulations issued in compliance with 50 U.S.C. s. 4842 and does not include trade practices that are preempted by federal law. The term also includes an academic boycott of Israel in which an educational institution enacts or implements restrictive policies, or otherwise participates in activities having the object or effect of restricting ongoing or potential academic relationships, on the basis of ties to the State of Israel or its academic, educational, or research institutions, or by holding researchers, students, prospective students, guest lecturers, and artists-in-residence or institutions collectively liable for any alleged objectionable conduct by the State of Israel. An educational institution is deemed to have engaged in an academic boycott of Israel if any of its departments, centers, or other organs engages in a boycott, or, in the case of a foreign educational institution, if any faculty union recognized by that institution engages in a boycott.

(c)(b) “Company” means an ~~a sole proprietorship,~~ organization, an association, a corporation, a partnership, a joint venture, a limited partnership, a limited liability partnership, a limited liability company, or other entity or business association, including all wholly owned subsidiaries, majority-owned subsidiaries, and parent companies, or affiliates, having more than 10 full-time employees. The term does not include a natural person or a sole proprietorship that exists for the purpose of making profit.

~~(d)~~(e) “Direct holdings” in a company means all securities of that company that are held directly by the public fund or in an account or fund in which the public fund owns all shares or interests.

~~(e)~~(d) “Indirect holdings” in a company means all securities of that company that are held in a commingled fund or other collective investment, such as a mutual or index fund, in which the public fund owns shares or interests, together with other investors not subject to this section ~~or which are held in an index fund.~~

(f) “Local governmental entity” means a county, municipality, special district, or other political subdivision.

(g) “Other entity” means an educational institution, a nonprofit organization, an agency, a local governmental entity or unit thereof, or a foreign government, including any of its public investment funds, public pension funds, sovereign wealth funds, or other government-sponsored investment funds.

~~(h)~~(e) “Public fund” means all funds, assets, trustees trustee, and other designates under the State Board of Administration pursuant to part I of chapter 121.

~~(i)~~(f) “Scrutinized companies or other entities” means companies or other entities that boycott Israel or engage in a boycott of Israel.

(2) IDENTIFICATION OF COMPANIES OR OTHER ENTITIES.—

(a) The public fund shall make its best efforts to identify all scrutinized companies or other entities in which the public fund has direct or indirect holdings or could possibly have such holdings in the future. Such efforts include:

1. To the extent that the public fund finds it appropriate, reviewing and relying on publicly available information regarding companies or other entities that boycott Israel, including information provided by nonprofit organizations, research firms, international organizations, and government entities;

2. Contacting asset managers contracted by the public fund for information regarding companies or other entities that boycott Israel; or

3. Contacting other institutional investors that prohibit such investments or that have engaged with companies or other entities that boycott Israel.

(b) By the first meeting of the public fund following the identification of scrutinized companies in accordance with paragraph (a), the public fund shall compile and make available the “Scrutinized Companies or Other Entities that Boycott Israel List.”

(c) The public fund shall update and make publicly available quarterly the Scrutinized Companies or Other Entities that Boycott Israel List based on evolving information from, among other sources, those listed in paragraph (a).

(3) REQUIRED ACTIONS.—The public fund shall adhere to the following procedures for assembling companies or other entities on the Scrutinized Companies or Other Entities that Boycott Israel List.

(a) *Engagement.*—

1. The public fund shall immediately determine the companies or other entities on the Scrutinized Companies or Other Entities that Boycott Israel List in which the public fund owns direct or indirect holdings. The Department of Management Services shall work with the public fund to determine the companies or other entities with which the state currently contracts or has a grant agreement, as detailed under ss. 287.135 and 265.286, respectively.

2. For each company or other entity newly identified under this paragraph, the public fund shall send a written notice informing the company or other entity of its scrutinized company status and that it may become subject to investment prohibition or divestment by the public fund. The Department of Management Services shall also notify each company or other entity newly identified under this paragraph that it may be barred from future contracts or grants awarded by the state. The ~~notices~~ notice must inform the company or other entity of the opportunity to clarify its activities regarding the boycott of Israel and encourage the company or other entity to cease the boycott of Israel within 90 days in order to avoid qualifying for investment prohibition or divestment.

3. If, within 90 days after the public fund's first engagement with a company or other entity pursuant to this paragraph, the company or other entity ceases a boycott of Israel, the company or other entity shall be removed from the Scrutinized Companies or Other Entities that Boycott Israel List, and ~~the provisions of this section ceases shall cease to apply to that company or other entity unless that company or other entity resumes a boycott of Israel.~~

(b) *Divestment.*—

1. If, after 90 days following the public fund's first engagement with a company or other entity pursuant to paragraph (a), the company or other entity continues to boycott Israel, the public fund must sell, redeem, divest, or withdraw all publicly traded securities of the company or other entity from the public fund within 12 months after the company's or other entity's most recent appearance on the Scrutinized Companies or Other Entities that Boycott Israel List.

2. If a company or other entity that ceased a boycott of Israel following engagement pursuant to paragraph (a) resumes such activities, this paragraph immediately applies, and the public fund must send a written notice to the company or other entity. The company or other entity must also be immediately reintroduced onto the Scrutinized Companies or Other Entities that Boycott Israel List, as applicable.

(c) *Prohibition.*—The public fund is prohibited from acquiring securities of companies or other entities on the Scrutinized Companies or Other Entities that Boycott Israel List, except as provided in paragraph (d) and subsection (6). The public fund and the endowments and retirement funds of the State University System may not acquire or hold the debt of a foreign government that is on the Scrutinized Companies or Other Entities that Boycott Israel List, or of a foreign government with a sovereign wealth fund that is on the Scrutinized Companies or Other Entities that Boycott Israel List where the foreign government has authority to actively control or manage the fund.

(d) *Excluded securities.*—Notwithstanding this section, paragraphs (b) and (c) do not apply to:

1. Indirect holdings. However, the public fund shall submit letters to the managers of such investment funds containing companies that boycott Israel requesting that they consider removing such companies from the fund or create a similar fund having indirect holdings devoid of such companies. If the manager creates a similar fund, the public fund shall replace all applicable investments with investments in the similar fund in an expedited timeframe consistent with prudent investing standards. For the purposes of this section, an alternative investment, as the term is defined in s. 215.4401, and securities that are not publicly traded are deemed to be indirect holdings.

2. Exchange-traded funds.

(4) REPORTING.—

(a) The public fund shall file a report with each member of the Board of Trustees of the State Board of Administration, the President of the Senate, and the Speaker of the House of Representatives which includes the Scrutinized Companies or Other Entities that Boycott Israel List within 30 days after the list is created. This report shall be made available to the public.

(b) At each quarterly meeting of the Board of Trustees thereafter, the public fund shall file a report, which shall be made available to the public and to each member of the Board of Trustees of the State Board of Administration, the President of the Senate, and the Speaker of the House of Representatives, which includes:

1. A summary of correspondence with companies or other entities engaged by the public fund under subsection (3);

2. All investments sold, redeemed, divested, or withdrawn in compliance with paragraph (3)(b);

3. All prohibited investments under paragraph (3)(c);

4. Any progress made under paragraph (3)(d); and

5. A list of all publicly traded securities held directly by the public fund.

(5) **INVESTMENT POLICY STATEMENT OBLIGATIONS.**—The public fund's actions taken in compliance with this section, including all good faith determinations regarding companies or other entities as required by this act, shall be adopted and incorporated into the public fund's investment policy statement as provided in s. 215.475.

(6) **INVESTMENT AND REINVESTMENT IN CERTAIN SCRUTINIZED COMPANIES OR OTHER ENTITIES.**—Notwithstanding any other provision of this section, the public fund may invest in, cease divestment from, or reinvest in certain scrutinized companies or other entities if clear and convincing evidence shows that the value of all assets under management by the public fund becomes equal to or less than 99.50 percent, or 50 basis points, of the hypothetical value of all assets under management by the public fund, assuming no investment prohibition or divestment for any company or other entity had occurred under subsection (3). Cessation of the investment prohibition or the divestment, or reinvestment or any new investment, in a scrutinized company or other entity is limited to the minimum steps necessary to avoid the contingency described in this subsection. For any cessation of the investment prohibition or divestment, or reinvestment or new investment authorized by this subsection, the public fund shall provide a written report to each member of the Board of Trustees of the State Board of Administration, the President of the Senate, and the Speaker of the House of Representatives in advance of the cessation of investment prohibition or the divestment, or reinvestment or new investment, updated semiannually thereafter as applicable, setting forth the reasons and justification, supported by clear and convincing evidence, for its decisions to cease the investment prohibition or divestment, or to reinvest in scrutinized companies or other entities.

(7) **STATE UNIVERSITY SYSTEM COMPLIANCE.**—The endowment and retirement funds of the universities of the State University System are required to comply with the divestment requirement and prohibition of acquiring securities of companies or other entities on the Scrutinized Companies or Other Entities that Boycott Israel List. The endowment and retirement funds of the universities of the State University System are provided the same exemption as provided in paragraph (3)(d).

Section 2. Paragraph (c) of subsection (6) of section 265.286, Florida Statutes, is amended, and paragraphs (d) and (e) are added to that subsection, to read:

265.286 Art and cultural grants.—

(6) The division shall adopt rules establishing:

(c) The panel review process, including, but not limited to, criteria for reviewing grant applications to ensure compliance with applicable federal and state law, including those related to discrimination and conflicts of interest. For the purposes of satisfying the nondiscrimination requirements of this section, each applicant must sign a certification form attesting to the fact that they are complying with all relevant antidiscrimination laws, including the anti-boycott rules of this state pursuant to ss. 215.4725 and 287.135, and will not engage in antisemitic discrimination as defined by s. 1.015, including refusals to deal based on an individual's or entity's real or perceived connection to the State of Israel, or engage in antisemitic speech as defined in s. 1.015, in conjunction with the program or project for which their grant is awarded. The division may not award any new grant that will, in whole or in part, inure to the personal benefit of any council or review panel member during the member's term of office if the council or panel member participated in the vote of the council or panel recommending the award. This paragraph does not prohibit the division from awarding a grant to an entity with which a council or panel member is associated.

(d) A grant applicant found to be engaging in any boycott action, antisemitic discrimination, or antisemitic speech in conjunction with the program or project for which the grant is awarded shall be disqualified from grant eligibility until 10 years after any such action has ceased. A grant recipient found to have engaged in a boycott of Israel or antisemitic discrimination during the duration of the project or program for which its grant was awarded shall be subject to a penalty payable to the State Treasury of three times the amount of the grant received for which the false certification was submitted.

(e) If the Attorney General fails to pursue a cause of action within 90 days after a violation of paragraph (c), individuals have the right to file a written complaint to the Attorney General, who in turn will be required to provide a written response within 30 days after receipt of the complaint.

Section 3. Section 287.135, Florida Statutes, is amended to read:

287.135 Prohibition against contracting with scrutinized companies or entities.—

(1) In addition to the terms defined in ss. 287.012 and 215.473, as used in this section, the term:

(a) “Awarding body” means, for purposes of state contracts, an agency or the department, and for purposes of local contracts, ~~the governing body of~~ the local governmental entity.

(b) “Boycott of Israel” has the same meaning as defined in s. 215.4725.

(c) “Business operations” means, for purposes specifically related to Cuba or Syria, engaging in commerce in any form in Cuba or Syria, including, but not limited to, acquiring, developing, maintaining, owning, selling, possessing, leasing, or operating equipment, facilities, personnel, products, services, personal property, real property, military equipment, or any other apparatus of business or commerce.

(d) “Local governmental entity” means a county, municipality, special district, or other political subdivision of the state.

(2) A company or other entity is ineligible to, and may not, bid on, submit a proposal for, or enter into or renew a contract with an agency or local governmental entity for goods or services of:

(a) One hundred thousand dollars or more ~~Any amount~~ if, at the time of bidding on, submitting a proposal for, or entering into or renewing such contract, the company or other entity is on the Scrutinized Companies or Other Entities that Boycott Israel List, created pursuant to s. 215.4725, or is engaged in a boycott of Israel; or

(b) One million dollars or more if, at the time of bidding on, submitting a proposal for, or entering into or renewing such contract, the company or other entity:

1. Is on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in Iran Terrorism Sectors List, created pursuant to s. 215.473; or

2. Is engaged in business operations in Cuba or Syria.

(3)(a) Any contract with an agency or local governmental entity for goods or services of \$1 million or more entered into or renewed on or after:

1. July 1, 2011, through June 30, 2012, must contain a provision that allows for the termination of such contract at the option of the awarding body if the company is found to have submitted a false certification as provided under subsection (5) or been placed on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List.

2. July 1, 2012, through September 30, 2016, must contain a provision that allows for the termination of such contract at the option of the awarding body if the company is found to have submitted a false certification as provided under subsection (5), been placed on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in

the Iran Petroleum Energy Sector List, or been engaged in business operations in Cuba or Syria.

3. October 1, 2016, through June 30, 2018, must contain a provision that allows for the termination of such contract at the option of the awarding body if the company:

a. Is found to have submitted a false certification as provided under subsection (5);

b. Has been placed on the Scrutinized Companies that Boycott Israel List, or is engaged in a boycott of Israel;

c. Has been placed on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List; or

d. Has been engaged in business operations in Cuba or Syria.

4. July 1, 2018, must contain a provision that allows for the termination of such contract at the option of the awarding body if the company is found to have submitted a false certification as provided under subsection (5), been placed on the Scrutinized Companies with Activities in Sudan List, or been engaged in business operations in Cuba or Syria.

5. July 1, 2018, must contain a provision that allows for the termination of such contract at the option of the awarding body if the company is found to have submitted a false certification as provided under subsection (5) or has been placed on a list created pursuant to s. 215.473, relating to scrutinized active business operations in Iran.

(b) Any contract with an agency or local governmental entity for goods or services of any amount entered into or renewed on or after:

1. July 1, 2018, must contain a provision that allows for the termination of such contract at the option of the awarding body if the company is found to have been placed on the Scrutinized Companies that Boycott Israel List or is engaged in a boycott of Israel.

2. July 1, 2025, must contain a provision that allows for the termination of such contract at the option of the awarding body if the company or other entity is found to have been placed on the Scrutinized Companies or Other Entities that Boycott Israel List or is engaged in a boycott of Israel.

(4) Notwithstanding subsection (2) or subsection (3), an agency or local governmental entity, on a case-by-case basis, may allow a company on the Scrutinized Companies with Activities in Sudan List, the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or the Scrutinized Companies with Activities in Iran Terrorism Sectors List, or a company engaged in business operations in Cuba or Syria, to be eligible for, bid on, submit a proposal for, or enter into or renew a contract for goods or

services of \$1 million or more, or may allow a company or other entity on the Scrutinized Companies or Other Entities that Boycott Israel List to be eligible for, bid on, submit a proposal for, or enter into or renew a contract for goods or services of any amount, under the conditions set forth in paragraph (a) or the conditions set forth in paragraph (b):

(a)1. With respect to a company on the Scrutinized Companies with Activities in Sudan List, all of the following occur:

- a. The scrutinized business operations were made before July 1, 2011.
- b. The scrutinized business operations have not been expanded or renewed after July 1, 2011.
- c. The agency or local governmental entity determines that it is in the best interest of the state or local community to contract with the company.
- d. The company has adopted, has publicized, and is implementing a formal plan to cease scrutinized business operations and to refrain from engaging in any new scrutinized business operations.

2. With respect to a company engaged in business operations in Cuba or Syria, all of the following occur:

- a. The business operations were made before July 1, 2012.
- b. The business operations have not been expanded or renewed after July 1, 2012.
- c. The agency or local governmental entity determines that it is in the best interest of the state or local community to contract with the company.
- d. The company has adopted, has publicized, and is implementing a formal plan to cease business operations and to refrain from engaging in any new business operations.

3. With respect to a company or other entity on the Scrutinized Companies or Other Entities that Boycott Israel List, all of the following occur:

- a. The boycott of Israel was initiated before October 1, 2016.
- b. The company or other entity certifies in writing that it has ceased its boycott of Israel.
- c. The agency or local governmental entity determines that it is in the best interest of the state or local community to contract with the company or other entity.
- d. The company or other entity has adopted, has publicized, and is implementing a formal plan to cease scrutinized business operations and to refrain from engaging in any new scrutinized business operations.

4. With respect to a company on the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List as of November 6, 2023, all of the following occur:

- a. The scrutinized business operations were made before July 1, 2011.
- b. The scrutinized business operations have not been expanded or renewed after July 1, 2011.
- c. The agency or local governmental entity determines that it is in the best interest of the state or local community to contract with the company.
- d. The company has adopted, has publicized, and is implementing a formal plan to cease scrutinized business operations and to refrain from engaging in any new scrutinized business operations.

5. With respect to a company on the Scrutinized Companies with Activities in Iran Terrorism Sectors List other than those companies included on the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List as of November 6, 2023, all of the following occur:

- a. The scrutinized business operations were made before January 10, 2024.
- b. The scrutinized business operations have not been expanded or renewed on or after January 10, 2024.
- c. The agency or local governmental entity determines that it is in the best interest of the state or local community to contract with the company.
- d. The company has adopted, has publicized, and is implementing a formal plan to cease those scrutinized business operations and to refrain from engaging in any new scrutinized business operations.

(b) One of the following occurs:

1. The local governmental entity makes a public finding that, absent such an exemption, the local governmental entity would be unable to obtain the goods or services for which the contract is offered.
2. For a contract with an executive agency, the Governor makes a public finding that, absent such an exemption, the agency would be unable to obtain the goods or services for which the contract is offered.
3. For a contract with an office of a state constitutional officer other than the Governor, the state constitutional officer makes a public finding that, absent such an exemption, the office would be unable to obtain the goods or services for which the contract is offered.

(5) At the time a company submits a bid or proposal for a contract or before the company enters into or renews a contract with an agency or local governmental entity for goods or services of \$1 million or more, the company

must certify that the company is not on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in Iran Terrorism Sectors List and that it does not have business operations in Cuba or Syria. At the time a company or other entity submits a bid or proposal for a contract or before the company or other entity enters into or renews a contract with an agency or local governmental entity for goods or services of any amount, the company or other entity must certify that the company or other entity is not participating in a boycott of Israel.

(a) If, after the agency or the local governmental entity determines, using credible information available to the public, that the company or other entity has submitted a false certification, the agency or local governmental entity shall provide the company or other entity with written notice of its determination. The company or other entity 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 the company or other entity does not make such demonstration within 90 days after receipt of the notice, the agency or the local governmental entity shall bring a civil action against the company or other entity. If a civil action is brought and the court determines that the company or other entity submitted a false certification, the company or other entity shall pay the penalty described in subparagraph 1. and all reasonable attorney fees and costs, including any costs for investigations that led to the finding of false certification.

1. A civil penalty equal to the greater of \$2 million or twice the amount of the contract for which the false certification was submitted shall be imposed.

2. The company or other entity is ineligible to bid on any contract with an agency or local governmental entity for 3 years after the date the agency or local governmental entity determined that the company or other entity submitted a false certification.

(b) A civil action to collect the penalties described in paragraph (a) must commence within 3 years after the date the false certification is submitted.

(6) Only the agency or local governmental entity that is a party to the contract may cause a civil action to be brought under this section. This section does not create or authorize a private right of action or enforcement of the penalties provided in this section. An unsuccessful bidder, or any other person other than the agency or local governmental entity, may not protest the award of a contract or contract renewal on the basis of a false certification.

(7) This section preempts any ordinance or rule of any agency or local governmental entity involving public contracts for goods or services of:

(a) One million dollars or more with a company or other entity engaged in scrutinized business operations.

(b) One hundred thousand dollars or more ~~Any amount~~ with a company or other entity that has been placed on the Scrutinized Companies or Other Entities that Boycott Israel List or is engaged in a boycott of Israel.

(8) The contracting prohibitions in this section applicable to companies on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in Iran Terrorism Sectors List or to companies engaged in business operations in Cuba or Syria become inoperative on the date that federal law ceases to authorize the states to adopt and enforce such contracting prohibitions.

Section 4. This act shall take effect July 1, 2025.

Approved by the Governor June 26, 2025.

Filed in Office Secretary of State June 26, 2025.