

**SENATE, No. 1889**

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**STATE OF NEW JERSEY**

**220th LEGISLATURE**

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INTRODUCED FEBRUARY 28, 2022

**Sponsored by:**  
**Senator PAUL A. SARLO**  
**District 36 (Bergen and Passaic)**

**SYNOPSIS**

Prohibits government dealings with businesses associated with Belarus or Russia.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT prohibiting government dealings with businesses associated  
2 with Belarus or Russia, supplementing Title 52 of the New  
3 Jersey Statutes.

4  
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
6 *of New Jersey:*

7  
8 1. a. A person that is identified on a list created pursuant to  
9 subsection b. of this section as a person that has been determined to  
10 engage in investment activities in Russia or Belarus shall be  
11 ineligible to and shall not:

12 (1) bid on, submit a proposal for, enter into, or renew a contract  
13 with a State agency for the provision of goods or services;

14 (2) file or renew a Public Works Contractor Registration with the  
15 Department of Labor and Workforce Development;

16 (3) receive an economic development subsidy from the  
17 Economic Development Authority in but not of the Department of  
18 the Treasury, be awarded a municipal property tax abatement, or  
19 make or enter into a payment in-lieu of property tax agreement;

20 (4) apply for or receive a tax clearance certificate from the  
21 Director of the Division of Taxation in the Department of the  
22 Treasury;

23 (5) be certified by the Department of Community Affairs as an  
24 urban renewal entity for purposes of the "Long Term Tax  
25 Exemption Law," P.L.1991, c.431 (C.40A:20-1 et seq.); and

26 (6) be designated as a redeveloper by a public agency for the  
27 purpose of planning, replanning, construction, or undertaking of any  
28 project or redevelopment work in accordance with the "Local  
29 Redevelopment and Housing Law," P.L.1992, c.79 (C.40A:12A-1 et  
30 seq.).

31 b. Within 30 days of the effective date of this section, the  
32 Department of the Treasury shall, using credible information  
33 available to the public, develop a list of persons it determines  
34 engage in investment activities in Russia or Belarus. The  
35 department shall update the list every 60 days after the publication  
36 of an initial list. Before including a person or entity on the initial  
37 list or an updated list, the department shall:

38 (1) provide notice of its intent to include the person on the list.  
39 The notice shall inform the person that inclusion on the list would  
40 make the person ineligible to engage in any of the enumerated  
41 activities specified by subsection a. of this section; and

42 (2) provide a person with an opportunity to comment in writing  
43 that the person is not engaged in investment activities in Russia. If  
44 the person demonstrates to the department that the person is not  
45 engaged in investment activities in Russia, the person or entity shall  
46 not be included on the list.

47 c. A State agency shall require a person seeking to engage in any  
48 of the enumerated activities specified by subsection a. of this

1 section to certify that the person is not identified on a list created  
2 pursuant to this section as a person engaging in investment  
3 activities in Russia or Belarus. The certification required shall be  
4 executed on behalf of the applicable person by an authorized officer  
5 or representative of the person. If a person is unable to make the  
6 certification required because the person or one of the person's  
7 parents, subsidiaries, or affiliates has engaged in investment activity  
8 in Russia or Belarus, the person shall provide to the State agency or  
9 local unit of government concerned, prior to the deadline for  
10 delivery of such certification, a detailed and precise description of  
11 such activities, such description to be provided under penalty of  
12 perjury. The certifications provided under this section and  
13 disclosures provided under this section shall be disclosed to the  
14 public.

15 d. (1) If the department determines, using credible information  
16 available to the public and after providing notice and an opportunity  
17 to comment in writing for the person to demonstrate that it is not  
18 engaged in investment activities in Russia or Belarus, that the  
19 person or entity has submitted a false certification pursuant to this  
20 section, and the person fails to demonstrate to the department that  
21 the person has ceased its engagement in the investment activities in  
22 Russia within 90 days after the determination of a false  
23 certification, the following shall apply:

24 (a) pursuant to an action under paragraph (2) of this subsection,  
25 a civil penalty in an amount that is equal to the greater of  
26 \$1,000,000 or twice the amount of the bid or application listed in  
27 subsection a. of this section for which the false certification was  
28 made.

29 (b) termination of an existing contract, registration, economic  
30 development subsidy, tax abatement, payment in-lieu of property  
31 tax agreement, certification, or designation as deemed appropriate  
32 by the issuing agency.

33 (c) ineligibility to engage in any of the enumerated activities  
34 specified by subsection a. of this section for a period of three years  
35 from the date of the determination that the person submitted the  
36 false certification.

37 (2) The department shall report to the Attorney General the  
38 name of the person that the State agency determines has submitted  
39 a false certification under this section, together with its information  
40 as to the false certification, and the Attorney General shall  
41 determine whether to bring a civil action against the person to  
42 collect the penalty described in this subsection. Only one civil  
43 action against the person to collect the penalty described in this  
44 subsection may be brought for a false certification on a bid or  
45 application listed in subsection a. of this section. A civil action to  
46 collect such penalty shall commence within three years from the  
47 date the certification is made.

48 e. For purposes of this section:

1 "Economic development subsidy" means the provision of an  
2 amount of funds to a recipient with a value of greater than \$25,000  
3 for the purpose of stimulating economic development in New  
4 Jersey, including, but not limited to, any bond, grant, loan, loan  
5 guarantee, matching fund, tax credit, or other tax expenditure.

6 "Russia" and "Belarus" mean, respectively, the governments of  
7 Russia and Belarus, and include the territories of those nations and  
8 any other territory or marine area, including the exclusive economic  
9 zone and continental shelf, over which either government claims  
10 sovereignty, sovereign rights, or jurisdiction, provided that the  
11 government exercises partial or total control over the area or derives  
12 a benefit from economic activity in the area pursuant to  
13 international arrangements.

14 "State agency" means any of the principal departments in the  
15 Executive Branch of the State government, and any division, board,  
16 bureau, office, commission or other instrumentality within or  
17 created by such department; the Legislature of the State and any  
18 office, board, bureau or commission within or created by the  
19 Legislative Branch; and any independent State authority,  
20 commission, instrumentality or agency that is authorized by law to  
21 award public contracts. "State agency" shall also include a public  
22 research university that is not a State college subject to the  
23 provisions of the "State College Contracts Law," P.L.1986, c.43  
24 (C.18A:64-52 et seq.).

25  
26 2. a. A local contracting unit as defined in and subject to the  
27 provisions of the "Local Public Contracts Law," P.L.1971, c.198  
28 (C.40A:11-1 et seq.), shall implement and comply with the  
29 provisions of P.L. , c. (C. ) (pending before the Legislature  
30 as this bill), except that the contracting unit shall rely on the list  
31 developed by the Department of the Treasury pursuant to subsection  
32 b. of section 1 of P.L. , c. (C. ) (pending before the  
33 Legislature as this bill).

34 b. If the local contracting unit determines that a person has  
35 submitted a false certification concerning its engagement in  
36 investment activities in Russia or Belarus pursuant to section 1 of  
37 P.L. , c. (C. ) (pending before the Legislature as this bill), the  
38 local contracting unit shall report to the New Jersey Attorney  
39 General the name of that person or entity, and the Attorney General  
40 shall determine whether to bring a civil action against the person to  
41 collect the penalty prescribed in subsection c. of section 1 of  
42 P.L. , c. (C. ) (pending before the Legislature as this bill).

43 c. The local contracting unit may also report to the municipal  
44 attorney or county counsel, as appropriate, the name of that person,  
45 together with its information as to the false certification, and the  
46 municipal attorney or county counsel, as appropriate, may  
47 determine to bring such civil action against the person to collect  
48 such penalty.

1        3. a. A board of education as defined in and subject to the  
2 provisions of the "Public School Contracts Law," P.L.1977, c.114  
3 (N.J.S.18A:18A-1 et seq.), shall implement and comply with the  
4 provisions of P.L.     , c.     (C.     ) (pending before the Legislature  
5 as this bill), except that the board shall rely on the list developed by  
6 the Department of the Treasury pursuant to subsection b. of section  
7 1 of P.L.     , c.     (C.     ) (pending before the Legislature as this  
8 bill).

9        b. If the board determines that a person or entity has submitted a  
10 false certification concerning its engagement in investment  
11 activities in Russia or Belarus pursuant to section 1 of  
12 P.L.     , c.     (C.     ) (pending before the Legislature as this bill), the  
13 board shall report to the New Jersey Attorney General the name of  
14 that person, and the Attorney General shall determine whether to  
15 bring a civil action against the person to collect the penalty  
16 prescribed in subsection c. of section 1 of P.L.     , c.     (C.     )  
17 (pending before the Legislature as this bill).

18        c. The board may also report to the board's attorney the name of  
19 that person, together with its information as to the false  
20 certification, and the board's attorney may determine to bring such  
21 civil action against the person to collect such penalty.  
22

23        4. a. A State college as defined in and subject to the provisions  
24 of the "State College Contracts Law," P.L.1986, c.43 (C.18A:64-52  
25 et seq.), shall implement and comply with the provisions of  
26 P.L.     , c.     (C.     ) (pending before the Legislature as this bill),  
27 except that the State college shall rely on the list developed by the  
28 Department of the Treasury pursuant to subsection b. of section 1 of  
29 P.L.     , c.     (C.     ) (pending before the Legislature as this bill).

30        b. If the State college determines that a person has submitted a  
31 false certification concerning its engagement in investment  
32 activities in Russia or Belarus pursuant to section 1 of  
33 P.L.     , c.     (C.     ) (pending before the Legislature as this bill), the  
34 State college shall report to the New Jersey Attorney General the  
35 name of that person, and the Attorney General shall determine  
36 whether to bring a civil action against the person to collect the  
37 penalty prescribed in subsection c. of section 1 of  
38 P.L.     , c.     (C.     ) (pending before the Legislature as this bill).

39        c. The State college may also report to the State college attorney  
40 the name of that person, together with its information as to the false  
41 certification, and the State college attorney may determine to bring  
42 such civil action against the person to collect such penalty.  
43

44        5. a. A county college as defined in and subject to the provisions  
45 of the "County College Contracts Law," P.L.1982, c.189  
46 (C.18A:64A-25.1 et seq.), shall implement and comply with the  
47 provisions of P.L.     , c.     (C.     ) (pending before the Legislature  
48 as this bill), except that the county college shall rely on the list

1 developed by the Department of the Treasury pursuant to subsection  
2 b. of section 1 of P.L. , c. (C. ) (pending before the  
3 Legislature as this bill).

4 b. If the county college determines that a person has submitted a  
5 false certification concerning its engagement in investment  
6 activities in Russia or Belarus pursuant to section 1 of  
7 P.L. , c. (C. ) (pending before the Legislature as this bill), the  
8 county college shall report to the New Jersey Attorney General the  
9 name of that person, and the Attorney General shall determine  
10 whether to bring a civil action against the person or entity to collect  
11 the penalty prescribed in subsection c. of section 1 of  
12 P.L. , c. (C. ) (pending before the Legislature as this bill).

13 c. The county college may also report to the county college  
14 attorney the name of that person, together with its information as to  
15 the false certification, and the county college attorney may  
16 determine to bring such civil action against the person to collect  
17 such penalty.

18  
19 6. a. Notwithstanding any provision of law to the contrary, no  
20 assets of any pension or annuity fund under the jurisdiction of the  
21 Division of Investment in the Department of the Treasury, or its  
22 successor, shall be invested in a company with an equity tie to the  
23 government of Russia or Belarus, or an instrumentality of the  
24 government of Russia or Belarus, and is engaged in business in or  
25 with either of those governments or its instrumentalities. This  
26 prohibition shall not apply to the activities of a company providing  
27 humanitarian aid to the Russian or Belarusian people through a  
28 governmental or non-governmental organization.

29 b. The State Investment Council and the Director of the  
30 Division of Investment, after reviewing the recommendations of  
31 and consulting with an independent research firm that specializes in  
32 global security risk for portfolio determinations selected by the  
33 State Treasurer, shall take appropriate action to sell, redeem, divest,  
34 or withdraw any investment held in violation of subsection a. of this  
35 section. This section shall not be construed to require the premature  
36 or otherwise imprudent sale, redemption, divestment, or withdrawal  
37 of an investment, but such sale, redemption, divestment, or  
38 withdrawal shall be completed not later than one year following the  
39 effective date of P.L. , c. (C. ) (pending before the  
40 Legislature as this bill).

41 c. Within 60 days after the effective date of P.L. , c. (C. )  
42 (pending before the Legislature as this bill), the Director of the  
43 Division of Investment shall file with the Legislature, pursuant to  
44 section 2 of P.L.1991, c.164 (C.52:14-19.1), a report of all  
45 investments held as of the effective date that are in violation of  
46 subsection a. of this section. Every year thereafter, the director shall  
47 report on all investments sold, redeemed, divested, or withdrawn in  
48 compliance with subsection b. of this section.

1 Each report after the initial report shall provide a description of  
2 the progress that the division has made since the previous report  
3 and since the enactment of P.L. , c. (C. ) (pending before  
4 the Legislature as this bill) in implementing subsection b. of this  
5 section.

6 d. State Investment Council members, jointly and individually,  
7 and State officers and employees involved therewith, shall be  
8 indemnified and held harmless by the State of New Jersey from all  
9 claims, demands, suits, actions, damages, judgments, costs, charges,  
10 and expenses, including court costs and attorney's fees, and against  
11 all liability, losses, and damages of any nature whatsoever that these  
12 State Investment Council members, and State officers and  
13 employees, shall or may at any time sustain by reason of any  
14 decision to restrict, reduce, or eliminate investments pursuant to this  
15 act.

16 e. For purposes of this section:

17 "Equity tie" means manufacturing or mining plants, employees  
18 or advisors, facilities, or an investment, fiduciary, monetary or  
19 physical presence of any kind, including an ownership stake in one  
20 or more subsidiary or joint venture with one or more companies in  
21 the country.

22 "Humanitarian aid" means the provision of goods and services  
23 intended to relieve human suffering or to promote general welfare  
24 and health.

25  
26 7. A State agency, local contracting unit, board of education,  
27 State college, or county college shall not bank with, have or hold  
28 stock, debt, or other equity investments of, or maintain insurance  
29 coverage through a policy issued by a financial institution that has  
30 an equity tie to the government of Russia or Belarus, or an  
31 instrumentality of the government of Russia or Belarus, and is  
32 engaged in business in or with either of those governments or its  
33 instrumentalities.

34  
35 8. Notwithstanding the provisions of the "Administrative  
36 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to the  
37 contrary, the State Treasurer may adopt immediately upon filing  
38 with the Office of Administrative Law such rules and regulations as  
39 the State Treasurer determines to be necessary to effectuate the  
40 purposes of P.L. , c. (C. ) (pending before the Legislature as  
41 this bill), which rules and regulation shall be effective for a period  
42 not exceeding 360 days following the effective date of  
43 P.L. , c. (C. ) (pending before the Legislature as this bill) and  
44 may thereafter be amended, adopted, or readopted by the State  
45 Treasurer in accordance with the requirements of P.L.1968, c.410  
46 (C.52:14B-1 et seq.).

47  
48 9. This act shall take effect immediately.

1 STATEMENT

2

3 This bill prohibits various government dealings with businesses  
4 associated with Belarus or Russia.

5 Specifically, a person that engages in investment activity in  
6 Russia or Belarus will be placed on a list by the Department of the  
7 Treasury and will not be permitted to: contract with State agencies,  
8 file or renew a Public Works Contractor Registration, receive an  
9 economic development subsidy from the Economic Development  
10 Authority, be awarded a municipal property tax abatement, or make  
11 or enter into a payment in-lieu of property tax agreement, apply for  
12 or receive a tax clearance certificate from the Division of Taxation,  
13 be certified by as an urban renewal entity for purposes of the "Long  
14 Term Tax Exemption Law," or be designated as a redeveloper by a  
15 public agency for the purposes of the "Local Redevelopment and  
16 Housing Law."

17 The bill prohibits the State from investing pension or annuity  
18 funds in companies with an equity tie to the government of Russia  
19 or Belarus. The bill also prohibits the State and its subdivisions  
20 from: banking with, having or holding stock, debt, or other equity  
21 investments of, or maintaining insurance coverage through a policy  
22 issued by a financial institution that has an equity tie to the  
23 government of Russia or Belarus.