

SESSION OF 2017

**CONFERENCE COMMITTEE REPORT BRIEF
HOUSE BILL NO. 2409**

As Agreed to June 6, 2017

Brief*

HB 2409 would prohibit the State from entering into a contract with any individual or company engaged in a boycott of Israel. The definition of “boycott” includes the refusal to engage in commercial relations with persons and entities engaged in business with Israel and Israeli-controlled territories. The State would require written certification from all individuals and companies it enters into a contract with for services, supplies, information technology, or construction that it is not engaged in a boycott of Israel. The State would also be prohibited from adopting a procurement, investment, or other policy that effectively requires or induces the boycott of the government of Israel or a person conducting business in Israel. The Secretary of Administration (Secretary) would have the authority to waive application of this prohibition if the Secretary determines the prohibition is not practicable.

Conference Committee Action

The Conference Committee agreed to the provisions of the bill as amended by the Senate Committee of the Whole with one change: it deleted “or in the best interest of the state” in reference to the Secretary’s waiver authority.

*Conference committee report briefs are prepared by the Legislative Research Department and do not express legislative intent. No summary is prepared when the report is an agreement to disagree. Conference committee report briefs may be accessed on the Internet at <http://www.kslegislature.org/kldr>

Background

The bill was introduced by the House Committee on Appropriations and was referred to the General Government Budget Committee. In the House Budget Committee hearing, Representative Powell explained his support for the legislation. He emphasized the unique relationship between the United States and Israel, and Israel's standing as one of the few democracies in the Middle East. A local activist testified in support of the bill, stating state governments in the United States have passed laws similar to HB 2409 in reaction to the "BDS (boycott, divestment, and sanctions) movement," which is a Palestinian-led boycott movement of Israeli businesses and entities. The Director of Marketing and Research at the Kansas Department of Commerce provided proponent testimony, highlighting the economic impact of Israel as a trading partner and ally with Kansas and the United States, as well as examples of Israeli companies that are based in Kansas. A representative of the American Israel Public Affairs Committee, two local rabbis, and a private citizen also testified in support of the bill. No other testimony was provided.

In the Senate Committee on Federal and State Affairs, Representative Sutton testified in favor of the legislation, providing background information on the BDS movement and emphasized similar legislation has passed and is being considered in states throughout the United States. He further articulated the trade relationship that Kansas has with Israel. Other proponents included Representative Powell, the Director of Marketing and Research at the Kansas Department of Commerce, a local activist, and a private citizen.

Opponent testimony was provided by a representative of Citizens for Justice in the Middle East. The opponent questioned the legality and constitutionality of the bill in denying companies the right to boycott or divest Israeli investments. The opponent further defended the BDS movement as a way to object to Israeli occupation of the

West Bank and argued the bill was an avenue to suppress dissent.

The Senate Committee of the Whole amended the bill to give the Secretary the authority to waive application of this prohibition if the Secretary determines the prohibition would not be in the best interest of the State or is not practicable. [Note: The Conference Committee did not retain language that would have allowed the Secretary to exercise waiver authority “in the best interest of the state.”]

According to the fiscal note prepared by the Division of the Budget, the Department of Administration indicates the bill, as introduced, would have no fiscal impact on the Office of Procurement and Contracts operations.

Israel; boycott; contracts

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