

State of Arizona  
Senate  
Fifty-fourth Legislature  
First Regular Session  
2019

**CHAPTER 94**  
**SENATE BILL 1167**

AN ACT

AMENDING SECTIONS 35-393, 35-393.01 AND 35-393.03, ARIZONA REVISED  
STATUTES; RELATING TO ISRAEL BOYCOTT DIVESTMENTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 35-393, Arizona Revised Statutes, is amended to  
3 read:

4 35-393. Definitions

5 In this article, unless the context otherwise requires:

6 1. "Boycott" means engaging in a refusal to deal, terminating  
7 business activities or performing other actions that are intended to limit  
8 commercial relations with ~~Israel or with persons or~~ entities doing  
9 business in Israel or in territories controlled by Israel, if those  
10 actions are taken either:

11 (a) ~~In compliance with or adherence to calls for a boycott of~~  
12 ~~Israel other than those boycotts to which 50 United States Code section~~  
13 ~~4607(c) applies.~~ **BASED IN PART ON THE FACT THAT THE ENTITY DOES BUSINESS**  
14 **IN ISRAEL OR IN TERRITORIES CONTROLLED BY ISRAEL.**

15 (b) In a manner that discriminates on the basis of nationality,  
16 national origin or religion and that is not based on a valid business  
17 reason.

18 2. "Company" means ~~a sole proprietorship,~~ **AN** organization,  
19 association, corporation, partnership, joint venture, limited partnership,  
20 limited liability partnership, limited liability company or other entity  
21 or business association, ~~and includes~~ **INCLUDING** a wholly owned subsidiary,  
22 majority-owned subsidiary, parent company or affiliate, **THAT ENGAGES IN**  
23 **FOR-PROFIT ACTIVITY AND THAT HAS TEN OR MORE FULL-TIME EMPLOYEES.**

24 3. "Direct holdings" means all publicly traded securities of a  
25 company that are held directly by the state treasurer or a retirement  
26 system in an actively managed account or fund in which the retirement  
27 system owns all shares or interests.

28 4. "Indirect holdings" means all securities of a company that are  
29 held in an account or fund, including a mutual fund, that is managed by  
30 one or more persons who are not employed by the state treasurer or a  
31 retirement system, if the state treasurer or retirement system owns shares  
32 or interests either:

33 (a) Together with other investors that are not subject to this  
34 section.

35 (b) That are held in an index fund.

36 5. "Public entity" means this state, a political subdivision of  
37 this state or an agency, board, commission or department of this state or  
38 a political subdivision of this state.

39 6. "Public fund" means the state treasurer or a retirement system.

40 7. "Restricted companies" means companies that boycott Israel.

41 8. "Retirement system" means a retirement plan or system that is  
42 established by or pursuant to title 38.

1           Sec. 2. Section 35-393.01, Arizona Revised Statutes, is amended to  
2 read:

3           35-393.01. Contracting; procurement; investment; prohibitions

4           A. A public entity may not enter into a contract WITH A VALUE OF  
5 \$100,000 OR MORE with a company to acquire or dispose of services,  
6 supplies, information technology or construction unless the contract  
7 includes a written certification that the company is not currently engaged  
8 in, and agrees for the duration of the contract to not engage in, a  
9 boycott of GOODS OR SERVICES FROM Israel.

10          B. A public entity may not adopt a procurement, investment or other  
11 policy that has the effect of inducing or requiring a person or company to  
12 boycott Israel.

13          Sec. 3. Section 35-393.03, Arizona Revised Statutes, is amended to  
14 read:

15          35-393.03. Applicability; severability

16          A. THIS ARTICLE DOES NOT APPLY TO A BOYCOTT PROHIBITED BY 50 UNITED  
17 STATES CODE SECTION 4842 OR A REGULATION ISSUED PURSUANT TO THAT SECTION.

18          B. If any provision of this article or its application to any  
19 person or circumstance is held invalid, the invalidity does not affect any  
20 other provision or application of this article that can be given effect  
21 without the invalid provision or application, and to this end the  
22 provisions of this article are severable.

APPROVED BY THE GOVERNOR APRIL 16, 2019.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 16, 2019.