

Statewide Prohibition Against Iran-Linked Businesses

The Michigan State legislature passed legislation to prohibit entities that have certain economic relationships with Iran from submitting a bid on a request for proposals (RFP) from state public entities, to require bidders for certain public contracts to submit certification of eligibility with a bid, and to respond to and report a false certification.

The "Iran Economic Sanctions Act" (P.A. 517 of 2012) makes an Iran-linked business ineligible to submit a bid on a RFP with a public entity. School districts, community college districts, and intermediate school districts must require each entity submitting a bid on an RFP to certify it is not an Iran-linked business. This requirement applies to all RFPs and not just to construction projects. Applicants for MDE grants will be required to assure compliance with this condition.

The Iran Economic Sanctions Act defines Iran-linked business as either of the following:

- A person engaging in investment activities in the energy sector of Iran, including a person who provides oil or liquefied natural gas tankers or products used to construct or maintain pipelines used to transport oil or liquefied natural gas for the energy sector of Iran.
- A financial institution that extends credit to another person, if that person will use the credit to engage in investment activities in the energy sector of Iran.

There are additional requirements to respond to and report an entity that has submitted a false certification. These requirements are described in the Iran Economic Sanction Act at: <http://www.legislature.mi.gov/documents/2011-2012/publicact/pdf/2012-PA-0517.pdf>

Provisions of the Iran Economic Sanction Act remain in effect as long as Iran is defined by the U.S. Secretary of State as a state sponsor of terror, a country determined to have repeatedly provided support for acts of international terrorism. Information about federal sanctions is available at: <http://www.state.gov/j/ct/list/c14151.htm>

Questions regarding the requirements of the Iran Economic Sanction Act may be directed to the Attorney General's office.
