

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1203 Session of 2022

INTRODUCED BY ARGALL, SCHWANK, GEBHARD, MENSCH, BARTOLOTTA, KANE, YUDICHAK, COSTA, STREET, ROBINSON, PITTMAN AND STEFANO, APRIL 22, 2022

AS AMENDED ON SECOND CONSIDERATION, JUNE 22, 2022

AN ACT

1 Preventing the Commonwealth from dealing with persons associated
2 with the Government of Russia or the Government of Belarus;
3 and imposing duties on the Treasury Department and the
4 Attorney General.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Short title.

8 This act shall be known and may be cited as the Restrictions
9 for Associations with Russia and Belarus Act.

10 Section 2. Definitions.

11 The following words and phrases when used in this act shall
12 have the meanings given to them in this section unless the
13 context clearly indicates otherwise:

14 "Commonwealth agency." As defined in 62 Pa.C.S. § 103
15 (relating to definitions).

16 "Critical material" or "critical mineral." A material or
17 mineral that:

18 (1) has a significant economic importance for key

1 sectors of the State or national economy;

2 (2) has a high-supply risk due to import dependence or
3 high levels of concentration in particular countries or
4 regions; and

5 (3) lacks viable substitutes due to its unique
6 properties and nature.

7 "Person." An individual, corporation, partnership, limited
8 liability company, business trust, association, estate, trust,
9 foundation, business entity or government entity. WHO IS OWNED <--
10 OR CONTROLLED BY, OR ACTING FOR OR ON BEHALF OF, RUSSIA OR
11 BELARUS AS DEFINED BY THE OFFICE OF FOREIGN ASSETS CONTROL OF
12 THE UNITED STATES DEPARTMENT OF TREASURY AS OF THE EFFECTIVE
13 DATE OF THIS DEFINITION.

14 Section 3. List of persons associated with Russia or Belarus.

15 (a) Development of list.--Within 60 days of the effective
16 date of this section, the Treasury Department shall, ~~using~~ <--
17 ~~credible information available to the public, develop a list of~~
18 ~~persons in this Commonwealth that, as determined by the Treasury~~
19 ~~Department, meet any of the following criteria:~~

20 ~~(1) Have a direct equity share with the Government of~~
21 ~~Russia or the Government of Belarus.~~

22 ~~(2) Have business operations that involve contracts with~~
23 ~~or the provision of goods or services to the Government of~~
24 ~~Russia or the Government of Belarus.~~

25 ~~(3) Are headquartered or have a principal place of~~
26 ~~business in Russia or Belarus.~~

27 ~~(4) Support, assist or facilitate the Government of~~
28 ~~Russia or the Government of Belarus in the shared campaign to~~
29 ~~invade the sovereignty of Ukraine, either through in kind~~
30 ~~support or for profit dealings. PUBLISH A LIST OF PERSONS. <--~~

1 (b) Update of list.--The list under subsection (a) shall be
2 updated ~~every 90 days~~ ANNUALLY. <--

3 Section 4. Restrictions.

4 If a person is found to be on the list under section 3, the
5 person may not:

6 (1) Bid on, submit a proposal for, enter into, BE A <--
7 PARTY TO or renew a contract with a Commonwealth agency for
8 the provision of goods or services.

9 (2) Submit a proposal for, BE ASSOCIATED WITH or renew a <--
10 grant issued by the Commonwealth.

11 (3) Submit a proposal for, RECEIVE or renew a tax credit <--
12 offered by the Commonwealth.

13 Section 5. Notice and challenge.

14 ~~(a) Notice. The Treasury Department shall provide to each <--~~
15 ~~person on the list under section 3 notice of:~~

16 ~~(1) The person's inclusion on the list.~~

17 ~~(2) The restrictions under section 4.~~

18 ~~(3) The opportunity of the person to challenge the~~
19 ~~person's inclusion on the list, through commenting in writing~~
20 ~~that the person does not meet any of the criteria specified~~
21 ~~in section 3(a).~~

22 ~~(b) Successful challenge. If a person challenges the~~
23 ~~person's inclusion on the list under section 3 and demonstrates~~
24 ~~to the satisfaction of the Treasury Department that the person~~
25 ~~does not meet any of the criteria specified in section 3(a), the~~
26 ~~person shall not be included on the list.~~

27 ~~(c) Unsuccessful challenge. If a person challenges the~~
28 ~~person's inclusion on the list under section 3 but does not~~
29 ~~demonstrate to the satisfaction of the Treasury Department that~~
30 ~~the person does not meet any of the criteria specified in~~

1 ~~section 3(a), the Treasury Department shall forward the matter~~
2 ~~to the Attorney General for further review.~~

3 ~~(d) Duty of Attorney General.~~

4 ~~(1) If, after receiving the matter under subsection (c),~~
5 ~~the Attorney General finds that the evidence presented by the~~
6 ~~person is with merit, the Attorney General shall make a~~
7 ~~recommendation to the Treasury Department that the person not~~
8 ~~be included on the list under section 3.~~

9 ~~(2) If, after receiving the matter under subsection (c),~~
10 ~~the Attorney General finds that the evidence presented by the~~
11 ~~person is without merit, the Attorney General shall determine~~
12 ~~whether to pursue appropriate criminal or civil charges~~
13 ~~against the person.~~

14 (A) NOTICE.--THE TREASURY DEPARTMENT SHALL PUBLISH A LIST OF <--
15 PERSONS ON ITS PUBLICLY ACCESSIBLE INTERNET WEBSITE UNDER
16 SECTION 3.

17 (B) CHALLENGE.--A PERSON MAY CHALLENGE THE PERSON'S
18 INCLUSION ON THE LIST UNDER SECTION 3 TO THE ATTORNEY GENERAL.
19 IF THE PERSON DEMONSTRATES TO THE SATISFACTION OF THE ATTORNEY
20 GENERAL THAT THE PERSON SHOULD NOT BE INCLUDED ON THE LIST THE
21 PERSON SHALL BE STRICKEN FROM THE LIST.

22 Section 6. Critical materials and critical minerals.

23 The Treasury Department shall develop a list of critical
24 materials and critical minerals ~~that are exempted from this act~~ <--
25 ~~that include those minerals identified as critical by the United~~
26 ~~States Department of the Interior as part of Executive Order~~
27 ~~13817. This list shall be reviewed annually by the Treasury~~
28 ~~Department.~~ AS IDENTIFIED AS CRITICAL BY THE UNITED STATES <--
29 DEPARTMENT OF THE INTERIOR UNDER EXECUTIVE ORDER 13817. ANY
30 PERSON WHO PROVIDES, OBTAINS OR SUPPLIES A MINERAL IDENTIFIED AS

1 CRITICAL MINERALS OR MATERIALS TO THE FEDERAL GOVERNMENT OR
2 UNITED STATES DOMICILED BUSINESS SHALL, UPON NOTIFICATION TO THE
3 TREASURY DEPARTMENT, BE REMOVED FROM THE LIST AND EXEMPTED FROM
4 ANY RESTRICTIONS IMPOSED BY THIS ACT. THIS LIST SHALL BE
5 REVIEWED ANNUALLY AND UPDATED BY THE TREASURY DEPARTMENT.

6 SECTION 7. CONSTRUCTION.

7 NOTHING IN THIS ACT SHALL BE CONSTRUED TO PROHIBIT
8 TRANSACTIONS AUTHORIZED BY THE FEDERAL GOVERNMENT OR UNDER
9 FEDERAL LAW.

10 Section 7 8. Effective date.

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11 This act shall take effect in ~~30~~ 60 days.

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