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114TH CONGRESS
2D SESSION

H. R. 4448

To amend the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 to secure the authority of State and local governments to adopt and enforce measures restricting investment in business enterprises in Iran, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 3, 2016

Mr. DESANTIS (for himself, Mr. LAMBORN, Mr. CRENSHAW, Mr. ROKITA, Mr. SMITH of Texas, Mr. ROHRABACHER, Mr. HARPER, Mr. BISHOP of Michigan, Mr. ROSS, Mr. COLLINS of New York, Mr. DESJARLAIS, Mr. YOHO, Mr. SALMON, Mr. CLAWSON of Florida, Mr. WEBER of Texas, Mr. PERRY, Mr. MEADOWS, Mr. JORDAN, Mr. ZELDIN, Mr. WALKER, and Ms. MCSALLY) introduced the following bill; which was referred to the Committee on Financial Services

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A BILL

To amend the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 to secure the authority of State and local governments to adopt and enforce measures restricting investment in business enterprises in Iran, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "State Sanctions Against Iranian Terrorism Act".

SEC. 2. AUTHORITY OF STATE AND LOCAL GOVERNMENTS TO RESTRICT INVESTMENT ACTIVITIES IN IRAN.

(a) ADDITIONAL AUTHORITY.—Section 202 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8532) is amended as follows:

(1) Subsection (a) is amended—

(A) by striking ''should support'' and inserting ''should not interfere with''; and

(B) by striking ''in the energy sector of Iran'' and all that follows through ''United States'' and inserting ''in the business sector in Iran, or prohibits or limits any person from engaging in investment activities in the business sector of Iran, until such time as all Federal laws that either expressly authorize or require the imposition of sanctions by the Federal Government on Iran are rescinded by an Act or Acts of Congress''.

(2) Subsection (b) is amended—

(A) by amending the subsection heading to read as follows:

''(b) AUTHORITY TO RESTRICT INVESTMENT IN IRAN.—'';

(B) by striking ‘‘may adopt and enforce measures that meet’’ and inserting ‘‘may—

‘‘(1) adopt and enforce measures—

‘‘(A) that meet’’;

(C) by moving the remaining text of subsection (b) 4 ems to the right;

(D) by striking ‘‘subsection (c).’’ and inserting ‘‘subsection (c); or’’; and

(E) by adding at the end the following:

‘‘(B) to prohibit or limit any person from engaging in investment activities in Iran described in subsection (c); and

‘‘(2) enter into interstate compacts regarding measures described in paragraph (1).

Enforcement of measures under this subsection may include the imposition of disclosure and other transparency requirements to carry out paragraph (1).’’.

(3) Subsection (c) is amended—

(A) in paragraph (1)—

(i) by striking ‘‘$20,000,000 or more in the energy sector’’ and inserting ‘‘$10,000,000 or more—

‘‘(A) in the energy sector’’;

(ii) by moving the remaining text of paragraph (1) 2 ems to the right; and

(iii) by adding at the end the following:

"(B) in any other business enterprise in Iran, including an entity that is owned or controlled by the Government of Iran; or"; and

(B) in paragraph (2)—

(i) by striking "$20,000,000" and inserting "$10,000,000"; and

(ii) by adding after "energy sector of Iran" the following: "or otherwise in a business enterprise in Iran, including an entity that is owned or controlled by the Government of Iran".

(4) Subsection (f) is amended to read as follows:

"(f) NONPREEMPTION; NO CONFLICT WITH U.S. FOREIGN AND INTERNATIONAL COMMERCE POLICY.—A measure of a State or local government authorized under subsection (b), (i), or (j)—

"(1) is authorized and not preempted by any Federal law or regulation, or any policy, agreement, or exercise of waiver authority of the executive branch; and

"(2) is consistent with United States Federal policy, including United States foreign policy.".

(5) Subsection (g) is amended by adding at the end the following:

"(3) OWN OR CONTROL.—The term 'own or control' means, with respect to an entity—

"(A) to hold more than 20 percent of the equity interest by vote or value in the entity;

"(B) to hold a majority of seats on the board of directors of the entity; or

"(C) to otherwise control the actions, policies, or personnel decisions of the entity.".

(6) Subsection (h) is amended—

(A) in paragraph (1), by striking "or subsection (i)" and inserting "and subsections (i) and (j)"; and

(B) in paragraph (2), by striking "subsection (i)" and inserting "subsections (i) and (j)".

(7) Subsection (i) is amended by adding at the end the following:

"(3) APPLICABILITY OF PRIOR PROVISIONS.—Paragraphs (1) and (2) apply with respect to this section as in effect on the day before the effective date of the State Sanctions Against Iranian Terrorism Act.".

(8) Section 202 is further amended—

(A) by redesignating subsection (j) as subsection (k); and

(B) by inserting after subsection (i) the following:

"(j) APPLICABILITY OF AMENDMENTS.—

"(1) IN GENERAL.—Notwithstanding any other provision of this section or any other provision of law, a State or local government may enforce a measure (without regard to the requirements of subsection (d), except as provided in paragraph (2)) adopted by the State or local government before the date of the enactment of the State Sanctions Against Iranian Terrorism Act (other than a measure covered by subsection (i)) that—

"(A) provides for the divestment of assets of the State or local government from, or prohibits the investment of the assets of the State or local government in, any person that the State or local government determines, using credible information available to the public, engages in investment activities in Iran (determined without regard to subsection (c)) or other business activities in Iran that are identified in the measure; or

"(B) prohibits or limits any person from engaging in investment activities in Iran described in subsection (c).

"(2) APPLICATION OF NOTICE REQUIREMENTS.—A measure described in paragraph (1) shall be subject to the requirements of paragraphs (1) and (2) and the first sentence of paragraph (3) of subsection (d) on and after the date that is 2 years after the date of the enactment of the State Sanctions Against Iranian Terrorism Act.".

(b) EXEMPTION FROM SUNSET.—Section 401(a) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 855(a)) is amended, in the matter preceding paragraph (1), by striking "sections 105 and 305" and inserting "sections 105, 202, and 305".

(c) CONFORMING AMENDMENTS.—

(1) The heading for title II of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8531 et seq.) is amended to read as follows:

"TITLE II—RESTRICTIONS BY STATE AND LOCAL GOVERNMENTS ON INVESTMENT ACTIVITIES IN IRAN".

(2) The heading for section 202 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8532) is amended to read as follows:

"SEC. 202. AUTHORITY OF STATE AND LOCAL GOVERNMENTS TO RESTRICT INVESTMENT ACTIVITIES IN IRAN.".

(3) The table of contents of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8501 et seq.) is amended—

(A) by amending the item relating to title II to read as follows:

"TITLE II—RESTRICTIONS BY STATE AND LOCAL GOVERNMENTS ON INVESTMENT IN IRAN";

and

(B) by amending the item relating to section 202 to read as follows:

"Sec. 202. Authority of State and local governments to restrict investment activities in Iran.".

SEC. 3. EFFECTIVE DATE.

The amendments made by this Act shall apply to measures adopted by a State or local government on or after the date of the enactment of this Act, except as provided in section 202(j) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, as amended by this Act.

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