

115TH CONGRESS
1ST SESSION

H. R. 3425

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

JULY 26, 2017

Mr. DESANTIS (for himself, Mr. COOK, Mr. DIAZ-BALART, Mr. SESSIONS, Mr. WALKER, Mr. ROKITA, Mr. ROSS, Mr. LAMBORN, Mr. MEADOWS, Mr. ZELDIN, Mr. MOONEY of West Virginia, Mr. KING of Iowa, Mr. JORDAN, Mr. FRANCIS ROONEY of Florida, Mr. RUTHERFORD, Mr. BISHOP of Michigan, Mr. GARRETT, Mr. COLLINS of New York, Mr. RATCLIFFE, and Mr. POSEY) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “State Sanctions
3 Against Iranian Terrorism Act”.

4 **SEC. 2. AUTHORITY OF STATE AND LOCAL GOVERNMENTS**
5 **TO RESTRICT INVESTMENT ACTIVITIES IN**
6 **IRAN.**

7 (a) **ADDITIONAL AUTHORITY.**—Section 202 of the
8 Comprehensive Iran Sanctions, Accountability, and Di-
9 vestment Act of 2010 (22 U.S.C. 8532) is amended as
10 follows:

11 (1) Subsection (a) is amended—

12 (A) by striking “should support” and in-
13 serting “should not interfere with”; and

14 (B) by striking “in the energy sector of
15 Iran” and all that follows through “United
16 States” and inserting “in the business sector in
17 Iran, or prohibits or limits any person from en-
18 gaging in investment activities in the business
19 sector of Iran, until such time as all Federal
20 laws that either expressly authorize or require
21 the imposition of sanctions by the Federal Gov-
22 ernment on Iran are rescinded by an Act or
23 Acts of Congress”.

24 (2) Subsection (b) is amended—

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

1 “(b) AUTHORITY TO RESTRICT INVESTMENT IN
2 IRAN.—”;

3 (B) by striking “may adopt and enforce
4 measures that meet” and inserting “may—
5 “(1) adopt and enforce measures—
6 “(A) that meet”;

7 (C) by striking “subsection (c).” and in-
8 serting “subsection (c); or”; and

9 (D) by adding at the end the following:

10 “(B) to prohibit or limit any person from
11 engaging in investment activities in Iran de-
12 scribed in subsection (c); and

13 “(2) enter into interstate compacts regarding
14 measures described in paragraph (1).

15 Enforcement of measures under this subsection may in-
16 clude the imposition of disclosure and other transparency
17 requirements to carry out paragraph (1).”.

18 (3) Subsection (c) is amended—

19 (A) in paragraph (1)—

20 (i) by striking “\$20,000,000 or more
21 in the energy sector” and inserting
22 “\$10,000,000 or more—

23 “(A) in the energy sector”; and

24 (ii) by adding at the end the fol-
25 lowing:

1 “(B) in any other business enterprise in
2 Iran, including an entity that is owned or con-
3 trolled by the Government of Iran; or”; and

4 (B) in paragraph (2)—

5 (i) by striking “\$20,000,000” and in-
6 serting “\$10,000,000”; and

7 (ii) by adding after “energy sector of
8 Iran” the following: “or otherwise in a
9 business enterprise in Iran, including an
10 entity that is owned or controlled by the
11 Government of Iran”.

12 (4) Subsection (f) is amended to read as fol-
13 lows:

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

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

22 “(2) is consistent with United States Federal
23 policy, including United States foreign policy.”.

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

1 “(3) OWN OR CONTROL.—An entity is ‘owned
2 or controlled’ by the Government of Iran if the Gov-
3 ernment of Iran—

4 “(A) holds more than 20 percent of the eq-
5 uity interest by vote or value in the entity;

6 “(B) has the right or ability to elect a ma-
7 jority of seats on the board of directors of the
8 entity; or

9 “(C) otherwise controls the actions, poli-
10 cies, or personnel decisions of the entity.”.

11 (6) Subsection (h) is amended—

12 (A) in paragraph (1), by striking “or sub-
13 section (i)” and inserting “and subsections (i)
14 and (j)”; and

15 (B) in paragraph (2), by striking “sub-
16 section (i)” and inserting “subsections (i) and
17 (j)”.

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

20 “(3) APPLICABILITY OF PRIOR PROVISIONS.—
21 Paragraphs (1) and (2) apply with respect to this
22 section as in effect on the day before the effective
23 date of the State Sanctions Against Iranian Ter-
24 rorism Act.”.

25 (8) Section 202 is further amended—

1 (A) by redesignating subsection (j) as sub-
2 section (k); and

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

5 “(j) APPLICABILITY.—

6 “(1) IN GENERAL.—Notwithstanding any other
7 provision of this section or any other provision of
8 law, a State or local government may enforce a
9 measure (without regard to the requirements of sub-
10 section (d), except as provided in paragraph (2))
11 adopted by the State or local government before the
12 date of the enactment of the State Sanctions
13 Against Iranian Terrorism Act (other than a meas-
14 ure covered by subsection (i)) that—

15 “(A) provides for the divestment of assets
16 of the State or local government from, or pro-
17 hibits the investment of the assets of the State
18 or local government in, any person that the
19 State or local government determines, using
20 credible information available to the public, en-
21 gages in investment activities in Iran (deter-
22 mined without regard to subsection (c)) or
23 other business activities in Iran that are identi-
24 fied in the measure; or

1 “(B) prohibits or limits any person from
2 engaging in investment activities in Iran de-
3 scribed in subsection (c).

4 “(2) APPLICATION OF NOTICE REQUIRE-
5 MENTS.—A measure described in paragraph (1)
6 shall be subject to the requirements of paragraphs
7 (1) and (2) and the first sentence of paragraph (3)
8 of subsection (d) on and after the date that is 2
9 years after the date of the enactment of the State
10 Sanctions Against Iranian Terrorism Act.”.

11 (b) CONGRESSIONAL RESOLUTION OF DISAPPROVAL
12 OF PRESIDENTIAL CERTIFICATION RELATING TO SUNSET
13 OF ACT.—Section 401(a) of the Comprehensive Iran
14 Sanctions, Accountability, and Divestment Act of 2010
15 (22 U.S.C. 855(a)) is amended—

16 (1) by striking “The provisions of this Act” and
17 inserting the following:

18 “(1) IN GENERAL.—Subject to paragraph (2),
19 the provisions of this Act”;

20 (2) by striking “(1) the Government of Iran”
21 and inserting “(A) the Government of Iran” and
22 moving the text of subparagraph (A) (as redesign-
23 nated) 2 ems to the right;

1 (3) by striking “(A) section 6(j)(1)(A)” and in-
 2 serting “(i) section 6(j)(1)(A)” and moving the text
 3 of clause (i) (as redesignated) 2 ems to the right;

4 (4) by striking “(B) section 40(d)” and insert-
 5 ing “(ii) section 40(d)” and moving the text of
 6 clause (ii) (as redesignated) 2 ems to the right;

7 (5) by striking “(C) section 620A(a)” and in-
 8 serting “(iii) section 620A(a)” and moving the text
 9 of clause (iii) (as redesignated) 2 ems to the right;

10 (6) by striking “(2) Iran has ceased” and in-
 11 serting “(B) Iran has ceased”; and

12 (7) by adding at the end the following:

13 “(2) CONGRESSIONAL RESOLUTION OF DIS-
 14 APPROVAL WITH RESPECT TO SUNSET OF SECTION
 15 202.—

16 “(A) IN GENERAL.—Section 202 shall not
 17 terminate pursuant to a certification of the
 18 President submitted to Congress under sub-
 19 section (a) if Congress, not later than 60 days
 20 after the date on which the President submits
 21 such certification, enacts a joint resolution dis-
 22 approving such certification.

23 “(B) EXPEDITED PROCEDURES.—A joint
 24 resolution described in subparagraph (A) and
 25 introduced not later than 60 days after the date

on which the President submits a certification under subsection (a) shall be considered in the Senate and the House of Representatives in accordance with paragraphs (3) through (7) of section 8066(c) of the Department of Defense Appropriations Act (as contained in Public Law 98–473), except that references in such paragraphs to the Committees on Appropriations of the House of Representatives and the Senate shall be deemed to be references to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate, respectively.”.

(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 GOVERN-
MENTS ON INVESTMENT AC-
TIVITIES IN IRAN”.**

(2) The heading for section 202 of the Comprehensive Iran Sanctions, Accountability, and Di-

1 vestment Act of 2010 (22 U.S.C. 8532) is amended
 2 to read as follows:

3 **“SEC. 202. AUTHORITY OF STATE AND LOCAL GOVERN-**
 4 **MENTS TO RESTRICT INVESTMENT ACTIVI-**
 5 **TIES IN IRAN.”.**

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

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

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

11 and

12 (B) by amending the item relating to sec-
 13 tion 202 to read as follows:

“Sec. 202. Authority of State and local governments to restrict investment ac-
 tivities in Iran.”.

14 **SEC. 3. EFFECTIVE DATE.**

15 The amendments made by this Act shall apply to
 16 measures adopted by a State or local government on or
 17 after the date of the enactment of this Act, except as pro-
 18 vided in section 202(j) of the Comprehensive Iran Sanc-
 19 tions, Accountability, and Divestment Act of 2010, as
 20 amended by this Act.

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