



## **NEW CONTRACT PROVISION FOR PUBLIC ENTITIES: CONTRACTOR CERTIFICATION REGARDING NON-BOYCOTT OF ISRAEL**

In its 2022 session, the General Assembly enacted Public Chapter 775 (the Act) which prohibits a public entity from entering into a contract with a company to acquire or dispose of services, supplies, information technology, or construction unless the contract includes a written certification that the company is not currently engaged in, and will not for the duration of the contract engage in, a boycott of Israel. This certification must be included in any agreement with a contractor when the total potential value of the agreement is \$250,000 or greater *or* when the contractor has 10 or more employees.

Boycott of Israel means “engaging in refusals to deal, terminating business activities, or other commercial actions that are intended to limit commercial relations with Israel, or companies doing business in or with Israel or authorized by, licensed by, or organized under the laws of the State of Israel to do business, or persons or entities doing business in Israel, when such actions are taken:

- (A) In compliance with, or adherence to, calls for a boycott of Israel; or
- (B) In a manner that discriminates on the basis of nationality, national origin, religion, or other unreasonable basis, and is not based on a valid business reason.

The effective date of this Act is July 1, 2022. Therefore, any agreement dated July 2, 2022, or later which is covered by the Act must have this written certification in it. The penalty for failing to have this written certification in the agreement is harsh. The Act provides that a covered agreement which does not have this written certification *is void*.

A utility which enters into a covered agreement may comply with the Act by including a paragraph or section in the agreement which reads as follows:

Boycott of Israel. The Contractor certifies that it is not currently engaged in, and covenants that it will not, for the duration of the Contract, engage in a Boycott of Israel, as that term is defined in Tenn. Code Ann. § 12-4-119.

Please make the governing board and management of your utility aware of this new contract provision.

Don Scholes  
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