



HB 5358

165 Capitol Avenue  
Hartford, CT 06106-1658

**An Act Prohibiting State Contracts  
with Entities Making Certain Investments in Iran**

**Committee on Government Administration & Elections  
February 22, 2013**

The Department of Administrative Services ("DAS") thanks the Committee for the opportunity to submit comments on HB 5358, "An Act Prohibiting State Contracts with Entities Making Certain Investments in Iran."

In 2011, the legislature passed Public Act 11-82, which required the Treasurer to review the State's major investment holdings for purposes of divesting and halting further investments in any security or instrument issued by Iran. It also allows the Treasurer to divest, or decide against further or future investments of, State funds in any company engaged in commerce in Iran. This bill focuses on State contracts - not State investments - and would prohibit State agencies from entering into contracts with entities that engage in certain activities with Iran.

DAS supports the purpose and intent of this legislation, but has concerns about its implementation. DAS is responsible for entering into contracts for goods and services needed by state agencies. Due to the nature of the contracts let by DAS, we are unlikely to do business with large, multi-national companies like the ones targeted by this legislation - unlike the Office of the Treasurer. It is our understanding that other states that have implemented contracting restrictions such as these have staff dedicated to identifying companies who have the Iran contacts required in the law, and providing the identified companies with required notices and due process considerations. DAS does not currently have such staff. DAS looks forward to working with the Committee and the proponents of this bill to identify a way that the goals of the proposal can be achieved in a manner that is administratively feasible.

Thank you again for the opportunity to submit comments about this bill.