

Governor Phil Murphy

Governor Murphy Signs Legislation Prohibiting Government Dealings With Businesses Associated with Russia or Belarus

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With Bipartisan Support, Murphy Administration Continues Strong Actions in Response to Russia's Invasion of Ukraine

TRENTON – Governor Phil Murphy today signed legislation (S-1889/A-3090) that prohibits certain government dealings with businesses associated with Russia or Belarus, in response to Russia's invasion of Ukraine. The signing of this bipartisan legislation follows Governor Murphy's executive order ([https://urldefense.com/v3/__https://t.e2ma.net/click/vdg4og/fd1rrbm/zcmncv__!!J30X0ZrnC1oQtbaIeKb8INJyLBnsNExQykd90dy42teVUXnSDolvLLcciCKcHAY-1k3wetM7KSh5y_WZLS9JJyN9g\\$](https://urldefense.com/v3/__https://t.e2ma.net/click/vdg4og/fd1rrbm/zcmncv__!!J30X0ZrnC1oQtbaIeKb8INJyLBnsNExQykd90dy42teVUXnSDolvLLcciCKcHAY-1k3wetM7KSh5y_WZLS9JJyN9g$)) requiring all state agencies to review their authority to suspend or revoke licenses, permits, registrations, and certifications of businesses that invest directly in companies owned or controlled by the government of Russia, Belarus, or its instrumentalities.

"New Jersey cannot and will not stand idly by as a tin-pot dictator invades the free and independent nation of Ukraine," said **Governor Murphy**. "We are sending a strong message today to Vladimir Putin and his cronies in Belarus that their actions will not be tolerated. I am proud to have worked with Senator Sarlo, Assemblyman Schaer, and the Legislature to make certain that our state plays its part in ensuring that the exodus of businesses leaving Russia and Belarus continues. Our Administration stands with President Zelenskyy and the people of Ukraine in their valiant effort to fight back against Russia's illegitimate and brutal invasion."

"Treasury has already begun to carry out the Governor's recent Executive Order and we stand ready and willing to help implement this new legislation in order to ensure taxpayer dollars are not supporting Russia's indefensible invasion of Ukraine," said **State Treasurer Elizabeth Maher Muoio**. "To date, we have assessed the pension fund's exposure to Russian investments and are in the process of identifying what state contracts, if any, might have ties to Russian businesses. We will use the power of our purse to stand in solidarity with the people of Ukraine."

Primary sponsors of the legislation include Senators Paul A. Sarlo, and Declan J. O'Scanlon, and Assemblymembers Gary S. Schaer, Craig J. Coughlin, and John DiMaio.

"This will help to punish Russia and Belarus for the brutal invasion of Ukraine," said **Senator Paul Sarlo, who announced his intention to write the sanctions bill immediately after Russia launched its attack**. "This is an international crisis we can influence here in New Jersey by supporting the courageous people of Ukraine. We can help cut off Russia's finances and the profiteering of Putin and his oligarchs, including sanctions on tax breaks for developers. They obviously have no respect for human rights, but we can make them pay an increasingly heavy price for their actions."

"While Putin might be able to control the flow of information within Russia, he won't be able to shield his nation from the economic impact of sanctions and divestment undertaken by governments across the world, including the State of New Jersey," said **Senator Declan O'Scanlon**. "These unified actions are not intended to hurt peaceful Russian citizens, but to send a strong message to the oligarchs and others in positions of power that their leader has crossed a line with his war in Ukraine that the international community will not tolerate."

"Coordinated sanctions have already devastated the Russian economy," said **Assemblyman Gary Schaer**. "Through this legislation, New Jersey joins the international community in fighting for Ukrainian freedom. No nation can stand alone, Russia will be forced to recognize Ukraine's sovereignty or risk total financial collapse."

"Putin's values and those of his sympathizers are antithetical to the principles of democracy and independence for which we as a country stand," said **Assembly Speaker Craig J. Coughlin**. "Working in complement to national and global partners to condemn this unprovoked war and support Ukrainians' fight, New Jersey has made clear we will not be a bystander. Cutting ties as this legislation does sends not only a clear message by eliminating opportunities for trade and investment by aggressors but is a decisive action that will intensify the economic pressures imposed on and felt by Russia."

"New Jersey taxpayer dollars will not finance Russia's war in Ukraine, which is an assault on a sovereign nation that values freedom, the bedrock of successful societies," said **Assembly Republican Leader John DiMaio**. "It's time to put our money where our mouth is and punish Russia and Belarus for refusing a peaceful resolution that recognizes the independent borders of Ukraine. New Jersey will not line the pockets of war criminals."

S-1889 requires the Department of the Treasury to begin developing immediately a list of persons and entities that it determines engage in prohibited activities in Russia or Belarus. The bill identifies the following entities as those that engage in "prohibited activities" that will result in inclusion on the list:

1. Companies in which the Government of Russia or Belarus has any direct equity share;
2. Entities having any business operations commencing after the effective date of the act that involve contracts with, or the provision of goods or services to, the Government of Russia or Belarus;
3. Entities headquartered or having their principal place of business in Russia or Belarus, and
4. Entities supporting, assisting, or facilitating the Government of Russia or Belarus in their campaigns to invade the sovereign country of Ukraine, either through in-kind support or for profit.

If a person or entity is included on the list developed by the Department of the Treasury, then the person or entity is ineligible to:

1. Enter into or renew a contract with a State agency, local government, school board, State college, or county college for the provision of goods or services;
2. File or renew a Public Works Contractor Registration with the Department of Labor and Workforce Development;
3. Be approved for or continue to receive an economic development subsidy from the Economic Development Authority, be awarded a municipal property tax abatement, or make or enter into a payment in-lieu of property tax agreement;
4. Apply for or receive a tax clearance certificate from the Director of the Division of Taxation in the Department of the Treasury; or
5. Be certified as an urban renewal entity or a redeveloper for the purpose of planning or undertaking a project or redevelopment work and receiving the benefits that accrue from such activities.

Additionally, the bill prohibits the State from investing pension or annuity funds in an entity appearing on the list developed by the Department of the Treasury and prohibits the State and its subdivisions from banking with, holding equity investments in, or maintaining insurance coverage issued by a financial institution placed on the list developed by the Department of the Treasury.

Governor Phil Murphy

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