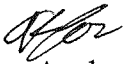


**REPORT OF THE  
CHIEF LEGISLATIVE ANALYST**

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DATE: April 18, 2016

TO: Honorable Members of the Rules, Elections, Intergovernmental Relations, and  
Neighborhoods Committee

FROM: Sharon M. Tso   
Chief Legislative Analyst

Council File No: 15-0002-S150  
Assignment No: 16-04-0306

SUBJECT: Resolution (Blumenfield–Bonin–Price) to SUPPORT AB 2844, as amended  
(Bloom).

CLARECOMMENDATION: Adopt Resolution (Blumenfield–Bonin–Price) to include in the City’s 2015-2016 State Legislative Program, SUPPORT for AB 2844, as amended (Bloom), the California Combating the Boycott, Divestment, and Sanctions of Israel Act of 2016, which would prohibit a public entity from entering into a contract, valued at \$10,000 or more, with a company that is boycotting Israel.

SUMMARY

Resolution (Blumenfield–Bonin–Price), introduced April 1, 2016, reports that boycotts of Israel by companies doing business in California undermine past successes in cooperation between California and Israel, such as the strategic partnerships for joint innovation, exchanges, and cooperation that were solidified by a memorandum of understanding (MOU) signed by the Governor and Prime Minister of Israel in 2014. According to the Resolution, currently pending before the State Assembly is AB 2844, as amended (Bloom), which would prohibit a public entity from entering into a contract, valued at \$10,000 or more, to acquire or dispose of goods, services, information, technology, or for construction, if the contracting company is boycotting Israel. In addition, the Resolution states that AB 2844, as amended (Bloom), would require the Governor’s Office of Business and Economic Development (GO-Biz) to recommend policies that incentivize State and Israel collaboration on trade, business, and academia. Considering that the City will be a beneficiary of the increased partnerships between the State and Israel, particularly the expansion of two-way trade relations already worth over \$4 billion in 2013, the Resolution therefore requests that the City support AB 2844, as amended (Bloom).

BACKGROUND

Starting January 1, 2017, AB 2844, as amended (Bloom), would prohibit a public entity from contracting with a company doing business in California, if the contracting company is boycotting Israel and the contract is valued at \$10,000 or more. This bill is a response to the Boycott, Divestment, and Sanctions (BDS) Movement, a global campaign against Israel that is coordinated by the Palestinian BDS National Committee and claimed to last “until (Israel) complies with international law and Palestinian rights”. Reports on the cost of the BDS Movement on the Israeli economy ranges from \$1.4 billion a year, revealed by an Israeli government document, to \$47 billion over 10 years, estimated by a Rand Corporation study that attributed its estimate to the success of the BDS Movement in Europe.

AB 2844, as amended (Bloom), purports to oppose the BDS Movement, and protect the existing cooperation between the State and Israel, as established by the MOU signed by the Governor and Israeli Prime Minister Benjamin Netanyahu in 2014. This action was the culmination of an effort started by AB 1032 (Blumenfield) of the 2009-10 Regular Session, which called for the creation of the MOU. Subsequent to its signing, the State Legislature expressed its support for the MOU by passing SCR 121, sponsored by the California Legislative Jewish Caucus, and SCR 25, which lists the City amongst its supporters.

As a result of the MOU, the State and Israel have increased cooperation in many areas recorded in the Resolution, through the facilitation of interagency working groups, entrepreneurial collaborations via the California innovation hub network, public-private partnerships, collaboration between universities to foster research and development, and further development of interpersonal contacts through ad hoc task forces, trade delegations, and professional exchanges in key sectors. AB 2844, as amended (Bloom), would expand upon these past partnerships by requiring GO-Biz to recommend policies that would incentivize more collaborations. Possible policies include tax credits, partnership subsidies, innovative grant programs, job creation initiatives, and contracting preferences.

BILL STATUS

2/19/16	Introduced
4/4/16	Pending in Committee on Accountability and Administrative Review



Deborah Choi  
Analyst

Attachment: 1. Resolution (Blumenfield–Bonin–Price)

RESOLUTION RULES, ELECTIONS & INTERGOVERNMENTAL RELATIONS

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies proposed to or pending before a local, state or federal governmental body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, in 2014, the Governor, with the support of the State Legislature, signed a memorandum of understanding (MOU) with the Prime Minister of Israel for strategic partnerships for joint innovation, exchanges, and cooperation between California and Israel; and

WHEREAS, partnerships between California and Israel have supported innovation across California, Israel, and the rest of the United States in a wide variety of areas including development, clean technology, water conservation, cybersecurity, health, biotechnology, agricultural technology, and academia; and

WHEREAS, furthermore, the MOU envisioned these partnerships to encourage mutual cooperation and understanding that could be leveraged to collaborate on fostering peace and democracy in the Middle East; and

WHEREAS, however, boycotts of Israel by companies doing business in California undermine cultural, academic, and economic cooperation between California and Israel; and


WHEREAS, currently pending before the State Assembly is a bill, AB 2844, as amended (Bloom), the California Combating the Boycott, Divestment, and Sanctions of Israel Act of 2016, which would prohibit a public entity from entering into a contract, valued at \$10,000 or more, on or after January 1, 2017, to acquire or dispose of goods, services, information, technology, or for construction, if the contracting company is boycotting Israel; and

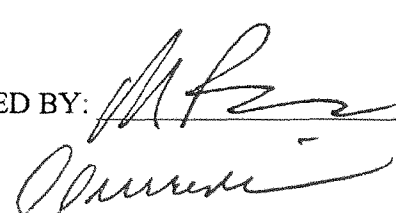
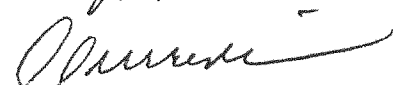
WHEREAS, AB 2844, as amended, would also require the Governor's Office of Business and Economic Development to recommend policies incentivizing State and Israel collaboration on trade, business, and academia, such as tax credits, partnership subsidies, innovative grant programs, job creation initiatives, and contracting preferences; and

WHEREAS, if the Commission on State Mandates determines that AB 2844, as amended, includes mandated costs, local agencies and school districts will be reimbursed, pursuant to Section 17500 of Division 4 or Title 2 of the Government Code; and

WHEREAS, the City will be a beneficiary of the increased partnerships between the State and Israel, particularly the expansion of the two-way trade relations already worth over \$4 billion in 2013;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2015-2016 State Legislative Program SUPPORT for AB 2844, as amended, (Bloom), the California Combating the Boycott, Divestment, and Sanctions of Israel Act of 2016, which would prohibit a public entity from entering into a contract, valued at \$10,000 or more, with a company that is boycotting Israel.

PRESENTED BY:   
BOB BLUMENFIELD  
Councilmember, 3<sup>rd</sup> District

SECONDED BY:   


APR 01 2016



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