ALAN WILSON
ATTORNEY GENERAL

9314/9864

December 29, 2014

W.D. Robertson, III
Office of General Counsel
South Carolina Budget and Control Board
P.O. Box 11608
Columbia, SC 29211

Dear Mr. Robertson:

We are in receipt of your December 5, 2014 opinion request concerning the interpretation of the Iran Divestment Act of 2014 ("the Act"). 2014, S.C. Acts 2507. Specifically, you ask "whether a company that purchases crude oil from Iran is 'engage[d] in investment activities in Iran," such that it is ineligible to contract with the State as provided for in the Act." Because the General Assembly's intent in passing the Act was "to fully implement the authority granted under Section 202 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 ("CISADA") and CISADA defines "investment" as "the entry into or renewal of a contract for goods or services," we believe a company purchasing crude oil from Iran is engaged in investment activities in Iran and, as a result, is ineligible to contract with the State as provided for in the Act.

I. Law/Analysis

In order to determine whether the Act governs a company purchasing crude oil from Iran, we must first look to the intent of the legislature. Hodges v. Rainey, 341 S.C. 79, 85, 533 S.E.2d 578, 581 (2000) ("The cardinal rule of statutory construction is to ascertain and effectuate the legislative intent whenever possible."). "What a legislature says in the text of a statute is considered the best evidence of the legislative intent or will" and "courts are bound to give effect to the expressed intent of the legislature." Media General Communications, Inc. v. South Carolina Dept. of Revenue, 388 S.C. 138, 148, 694 S.E.2d 525, 530 (2010); Wade v. State, 348 S.C. 255, 259, 559 S.E.2d 843, 844 (2002). When determining the effect of words utilized in a statute, a court looks to the "plain meaning" of the words. City of Rock Hill v. Harris, 391 S.C. 149, 154, 705 S.E.2d 53, 55 (2011). However, courts will reject the plain and ordinary meaning of the words used in a statute when doing so would defeat the intent of the legislature. Greenville Baseball v. Bearden, 200 S.C. 363, 368, 20 S.E.2d 813, 815 (1942). Moreover, where a statute is remedial in nature it must be broadly construed in order to accomplish the object sought. S.C. Dept. of Mental Health v. Hanna, 270 S.C. 210, 213, 241 S.E.2d 563, 564 (1978); Inabinet v. Royal Exchange Assur. of London, 165 S.C. 33, 36, 162 S.E. 599, 600 (1932).

Here, when utilizing these principles of statutory construction we believe the Act, which was intended "to fully implement the authority granted under Section 202 of [CISADA]" is clearly a remedial statute aimed at sanctioning Iran for its "illicit nuclear activities . . . combined with . . . its support for international terrorism" consistent with the language of 22 U.S.C. § 8501(1). S.C. Code Ann. § 11-57-20(g) (2014 Supp.). As a result, we believe the Act must be broadly construed to effectuate such a remedy. Accordingly, despite the admitted differences in the language between Section 11-57-300(1)'s definition of the phrase "investment activities" when compared against 22 U.S.C. § 8532(c)(1)'s more expansive definition of the same phrase, we believe the intent of the Legislature was to act consistent with the framework of CISADA rather than inconsistent with such a framework.[1] Thus, because interpreting the two phrases as regulating different activities rather than the same would result in the Act assessing sanctions in a manner inconsistent with Section 202 of CISADA, we believe the better interpretation of the Act is that the Legislature intended to include a company engaged in investing more than $20 million dollars in Iranian crude oil as conducting investment activities in Iran.

II. Conclusion

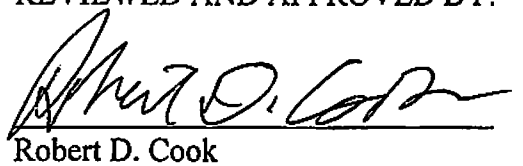
In conclusion, because the Legislature, via Section 11-57-20(g), intended "to fully implement the authority granted under Section 202 of [CISADA]" and CSIADA defines investments and investment activities to reach "the entry into or renewal of a contract for goods or services" we believe the Legislature intended the Act to reach a company purchasing more that $20 million dollars of Iranian crude oil. Indeed, the cannons of statutory construction require as much as the "cardinal rule of statutory construction is to . . . effectuate the legislative intent whenever possible." Rainey, 341 S.C. at 85, 533 S.E.2d at 581. This is especially true with respect to remedial measures such as the Act which must be broadly construed to effectuate such a purpose. As a result, it is the opinion of this Office that despite differences between Section 11-57-300(1)'s definition of investment activities as compared to the more expansive definition from 22 U.S.C. § 8532(c)(1), we believe the better interpretation of the Act is that is intended to include a company purchasing more than $20 million dollar in Iranian crude oil as conducting investment activities in Iran.

Sincerely,

Brendan McDonald
Assistant Attorney General

[1] Compare Section 11-57-300(1) (defining investment activities as providing "goods or services of twenty million dollars or more in the energy sector of Iran, including a person that provides oil or liquefied natural gas tankers, or products used to construct or maintain pipelines used to transport oil or liquefied natural gas, for the energy sector of Iran . . .") with 22 U.S.C. § 8532(b) (explaining a company engages in investment activities if it "has an investment of $20,000,000 or more in the energy sector of Iran, including in a person that provides oil or liquefied natural gas tankers, or products used to construct or maintain pipelines used to transport oil or liquefied natural gas, for the energy sector of Iran . . .").

REVIEWED AND APPROVED BY:



Robert D. Cook
Solicitor General