

**Effective 5/3/2023**

**Chapter 27**  
**Public Contract Boycott Restrictions**

**Part 1**  
**General Provisions**

**63G-27-102 Definitions.**

As used in this chapter:

- (1) "Boycott action" means refusing to deal, terminating business activities, or limiting commercial relations.
- (2) "Boycott of the State of Israel" means engaging in a boycott action targeting:
  - (a) the State of Israel; and
  - (b)
    - (i) companies or individuals doing business in or with the State of Israel; or
    - (ii) companies authorized by, licensed by, or organized under the laws of the State of Israel to do business.
- (3) "Boycotted company" means a company that:
  - (a) engages in the exploration, production, utilization, transportation, sale, or manufacture of fossil fuel-based energy, timber, mining, or agriculture;
  - (b) engages in, facilitates, or supports the manufacture, distribution, sale, or use of firearms;
  - (c) does not meet or commit to meet environmental standards, including standards for eliminating, reducing, offsetting, or disclosing greenhouse gas-emissions, beyond applicable state and federal law requirements; or
  - (d) does not facilitate or commit to facilitate access to abortion or sex characteristic surgical procedures.
- (4)
  - (a) "Company" means a corporation, partnership, limited liability company, or similar entity.
  - (b) "Company" includes any wholly-owned subsidiary, majority-owned subsidiary, parent company, or affiliate of an entity described in Subsection (4)(a).
- (5) "Economic boycott" means, without an ordinary business purpose:
  - (a) engaging in a boycott action targeting:
    - (i) a boycotted company; or
    - (ii) another company because the company does business with a boycotted company; or
  - (b) taking an action intended to penalize, inflict economic harm to, or change or limit the activities of:
    - (i) a boycotted company; or
    - (ii) another company because the company does business with a boycotted company.
- (6)
  - (a) "Ordinary business purpose" means a purpose that is related to business operations.
  - (b) "Ordinary business purpose" does not include a purpose that is solely related to furthering social, political, or ideological interests.
- (7) "Public entity" means the state or a political subdivision of the state, including each department, division, office, board, commission, council, authority, or institution of the state or a political subdivision of the state.

Amended by Chapter 243, 2023 General Session

## **Part 2 Prohibitions**

### **63G-27-201 Prohibition on contracting.**

- (1) Except as provided in Subsection (3), a public entity may not enter into a contract with a company to acquire or dispose of a good or service, including supplies, information technology, or construction services, unless:
  - (a) the contract includes a written certification that the company is not currently engaged in:
    - (i) a boycott of the State of Israel; or
    - (ii) an economic boycott;
  - (b) the company agrees not to engage in a boycott of the State of Israel for the duration of the contract; and
  - (c) the company agrees to notify the public entity in writing if the company begins engaging in an economic boycott.
- (2) A company's notice under Subsection (1)(c) may be grounds for termination of the contract.
- (3) This section does not:
  - (a) apply to:
    - (i) a contract with a total value of less than \$100,000; or
    - (ii) a contract with a company that has fewer than 10 full-time employees; or
  - (b) prohibit a public entity from entering into a contract with a company that engages in an economic boycott if:
    - (i) there is no economically practicable alternative available to the public entity to:
      - (A) acquire or dispose of the good or service; or
      - (B) meet the public entity's legal duties to issue, incur, or manage debt obligations, or deposit, keep custody of, manage, borrow, or invest funds; or
    - (ii) the company engages in the economic boycott to comply with federal law.

Amended by Chapter 243, 2023 General Session

### **63G-27-202 Prohibition on interference with state programs and commercial relationships.**

- (1) A person may not take action to penalize or threaten to penalize a company because the company enters into a contract that complies with Subsections 63G-27-201(1)(a)(ii) or (c).
- (2) A person who takes an action or makes a threat in violation of Subsection (1) interferes with the state's interest in administering state programs and maintaining commercial relationships.

Enacted by Chapter 243, 2023 General Session