

**Senator Karen Mayne** proposes the following substitute bill:

**RESALE OF PROCUREMENT ITEM AMENDMENTS**

2016 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Karen Mayne**

House Sponsor: Don L. Ipson

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**LONG TITLE**

**General Description:**

This bill modifies provisions related to the resale of a procurement item.

**Highlighted Provisions:**

This bill:

▶ imposes requirements and places limits on a state or local government entity that sells a procurement item to the original seller for more than the purchase price.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

ENACTS:

**11-54-101**, Utah Code Annotated 1953

**11-54-102**, Utah Code Annotated 1953

**11-54-103**, Utah Code Annotated 1953

**63G-6a-110**, Utah Code Annotated 1953

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*Be it enacted by the Legislature of the state of Utah:*



26 Section 1. Section 11-54-101 is enacted to read:

27 **CHAPTER 54. LOCAL GOVERNMENT SALE OF PROCUREMENT ITEM**

28 **11-54-101. Title.**

29 This chapter is known as "Local Government Sale of Procurement Item."

30 Section 2. Section 11-54-102 is enacted to read:

31 **11-54-102. Definitions.**

32 As used in this chapter:

33 (1) "Buyback purchaser" means a person who buys a procurement item from the local  
34 government entity to which the person previously sold the procurement item.

35 (2) "Excess repurchase amount" means the difference between:

36 (a) the amount a buyback purchaser pays to a local government entity to purchase a  
37 procurement item that the buyback purchaser previously sold to the local government entity;

38 and

39 (b) the amount the local government entity paid to the buyback purchaser to purchase  
40 the procurement item.

41 (3) "Local government entity" means a county, city, town, metro township, local  
42 district, special service district, community development and renewal agency, conservation  
43 district, or school district that is not subject to Title 63G, Chapter 6a, Utah Procurement Code.

44 (4) "Procurement item" means the same as that term is defined in Section [63G-6a-103](#).

45 Section 3. Section 11-54-103 is enacted to read:

46 **11-54-103. Sale of previously purchased item -- Limitations.**

47 A local government entity that sells a procurement item to a buyback purchaser for an  
48 amount that exceeds the amount the local government entity paid for the procurement item:

49 (1) shall require the buyback purchaser to pay cash for the procurement item;

50 (2) may not accept the excess repurchase amount in the form of a credit, discount, or  
51 other incentive on a future purchase that the local government entity makes from the buyback  
52 purchaser; and

53 (3) may not use the excess repurchase amount to acquire an additional procurement  
54 item from the person who paid the excess repurchase amount.

55 Section 4. Section 63G-6a-110 is enacted to read:

56 **63G-6a-110. Sale of previously purchased procurement item -- Limitations.**

57 (1) As used in this section:

58 (a) "Buyback purchaser" means a person who buys a procurement item from the  
59 procurement unit to which the person previously sold the procurement item.

60 (b) "Excess repurchase amount" means the difference between:

61 (i) the amount a buyback purchaser pays to a procurement unit to purchase a  
62 procurement item that the buyback purchaser previously sold to the procurement unit; and

63 (ii) the amount the procurement unit paid to the buyback purchaser to purchase the  
64 procurement item.

65 (2) A procurement unit that sells a procurement item to a buyback purchaser for an  
66 amount that exceeds the amount the procurement unit paid for the procurement item:

67 (a) shall require the buyback purchaser to pay cash for the procurement item;

68 (b) may not accept the excess repurchase amount in the form of a credit, discount, or  
69 other incentive on a future purchase that the procurement unit makes from the buyback  
70 purchaser; and

71 (c) may not use the excess repurchase amount to acquire an additional procurement  
72 item from the person who paid the excess repurchase amount.