

1 STATE FINANCIAL CONTRACTS AMENDMENTS

2 2022 GENERAL SESSION

3 STATE OF UTAH

4 Chief Sponsor: Rex P. Shipp

5 Senate Sponsor: _____

6 _____
7 LONG TITLE

8 General Description:

9 This bill makes amendments regarding the financial companies with whom public
10 entities may enter into a financial contract.

11 Highlighted Provisions:

12 This bill:

- 13 ▶ defines terms; and
- 14 ▶ prohibits a public entity from entering into a contract for financial services with a
15 financial company that has a policy of refusing to finance fossil fuel companies.

16 Money Appropriated in this Bill:

17 None

18 Other Special Clauses:

19 None

20 Utah Code Sections Affected:

21 ENACTS:

22 63G-28-101, Utah Code Annotated 1953

23 63G-28-201, Utah Code Annotated 1953

24 63G-28-202, Utah Code Annotated 1953

25 _____
26 *Be it enacted by the Legislature of the state of Utah:*

27 Section 1. Section 63G-28-101 is enacted to read:



28 CHAPTER 28. FINANCIAL CONTRACTS ENERGY REQUIREMENTS

29 Part 1. General Provisions

30 **63G-28-101. Definitions.**

31 As used in this chapter:

32 (1) "Company" means a corporation, partnership, limited liability company, or similar
33 entity.

34 (2) "Financial company" means a publicly traded financial services, banking, or
35 investment company.

36 (3) "Financial contract" means a contract in which a financial company is obligated to
37 provide financial services.

38 (4) "Fossil fuel company" means a company that engages in the exploration,
39 production, utilization, transportation, sale, or manufacturing of fossil fuels or fossil fuel
40 byproducts.

41 (5) "Public entity" means the state or a political subdivision of the state, including each
42 department, division, office, board, commission, council, authority, or institution of the state or
43 a political subdivision of the state.

44 Section 2. Section 63G-28-201 is enacted to read:

45 Part 2. Financial Energy Contracts Provisions

46 **63G-28-201. Prohibition on contracting.**

47 (1) A public entity may not enter into a financial contract with a financial company
48 unless:

49 (a) the contract includes a written certification that the company does not have a policy
50 of refusing to finance fossil fuel companies; and

51 (b) the company agrees not to adopt a policy of refusing to finance fossil fuel
52 companies for the duration of the contract.

53 (2) This section does not apply to:

54 (a) a contract with a total value of less than \$100,000; or

55 (b) a contract with a financial company that has fewer than 10 full-time employees.

56 Section 3. Section 63G-28-202 is enacted to read:

57 **63G-28-202. No private cause of action.**

58 This chapter does not create, eliminate, or modify any private cause of action or

59 remedy.