

Representative Rex P. Shipp proposes the following substitute bill:

STATE FINANCIAL CONTRACTS AMENDMENTS

2022 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Rex P. Shipp

Senate Sponsor: _____

LONG TITLE

General Description:

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

Highlighted Provisions:

This bill:

- defines terms; and
- requires a public entity entering into a contract for financial services to provide preference to a financial company that does not have a policy of refusing to finance fossil fuel companies.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

63G-28-101, Utah Code Annotated 1953

63G-28-201, Utah Code Annotated 1953

63G-28-202, Utah Code Annotated 1953



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

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

CHAPTER 28. FINANCIAL CONTRACTS ENERGY REQUIREMENTS

Part 1. General Provisions

63G-28-101. Definitions.

As used in this chapter:

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

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

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

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

(5) "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.

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

Part 2. Financial Energy Contracts Provisions

63G-28-201. Financial services procurement preferences.

(1) When procuring financial services, a public entity shall prefer entering into a financial contract with a financial company that:

(a) does not have a policy or a history of making public statements refusing to finance fossil fuel companies; and

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

(2) This section does not apply to:

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

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

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

58 **63G-28-202. No private cause of action.**

59 This chapter does not create, eliminate, or modify any private cause of action or
60 remedy.