

Senator Chris H. Wilson proposes the following substitute bill:

PUBLIC CONTRACT REQUIREMENTS

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Chris H. Wilson

House Sponsor: Rex P. Shipp

LONG TITLE

General Description:

This bill addresses public entity contract requirements.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ subject to exceptions, prohibits a public entity from entering into a contract with a company who engages in certain boycott actions; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

63G-27-102, as enacted by Laws of Utah 2021, Chapter 347

63G-27-201, as enacted by Laws of Utah 2021, Chapter 347

REPEALS:

63G-27-101, as enacted by Laws of Utah 2021, Chapter 347



26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56

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

Section 1. Section **63G-27-102** is amended to read:

CHAPTER 27. PUBLIC CONTRACT BOYCOTT RESTRICTIONS

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) (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 (3)(a).

(4) (a) "Legitimate business purpose" means a purpose that is related to business operations.

(b) "Legitimate business purpose" does not include the purpose of furthering social, political, or ideological interests.

~~[(4)]~~ (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.

(6) "Subjective boycott" means, without a legitimate business purpose, engaging in a boycott action targeting, or otherwise taking an action intended to penalize, inflict economic harm to, or change or limit the activities of, 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;

57 (c) does not meet or commit to meet corporate board, or employment, composition,
58 compensation, or disclosure criteria that incorporates race, color, sex, religion, ancestry, or
59 national origin;

60 (d) does not meet or commit to meet environmental standards, including standards for
61 eliminating, reducing, offsetting, or disclosing greenhouse gas-emissions, beyond applicable
62 state and federal law requirements;

63 (e) does not facilitate or commit to facilitate access to abortion or sex characteristic
64 surgical procedures; or

65 (f) does business with a company described in Subsections (6)(a) through (e).

66 Section 2. Section **63G-27-201** is amended to read:

67 **63G-27-201. Prohibition on contracting.**

68 (1) Except as provided in Subsection (2), a public entity may not enter into a contract
69 with a company to acquire or dispose of a good or service, including supplies, information
70 technology, or construction services, unless:

71 (a) the contract includes a written certification that the company is not currently
72 engaged in a boycott of the State of Israel or a subjective boycott; and

73 (b) the company agrees not to engage in a boycott of the State of Israel or a subjective
74 boycott for the duration of the contract.

75 (2) This section does not:

76 (a) apply to:

77 [~~(a)~~] (i) a contract with a total value of less than \$100,000; or

78 [~~(b)~~] (ii) a contract with a company that has fewer than 10 full-time employees[-]; or

79 (b) prohibit a public entity from entering into a contract with a company that engages

80 in a subjective boycott if there is no economically practicable alternative available to the public
81 entity to:

82 (i) acquire or dispose of the good or service; or

83 (ii) meet the public entity's legal duty to manage debts or funds.

84 Section 3. **Repealer.**

85 This bill repeals:

86 Section **63G-27-101, Title.**