

SB0097S02 compared with SB0097

~~deleted text~~ shows text that was in SB0097 but was deleted in SB0097S02.

inserted text shows text that was not in SB0097 but was inserted into SB0097S02.

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

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~~ that engages in certain ~~environmental~~ boycott actions;
- ▶ prohibits a person from penalizing a company that agrees not to engage in certain boycott actions while under contract with a public entity;
- ▶ provides that a person who penalizes a company for agreeing not to engage in certain boycott actions while under contract with a public entity interferes with the state's interest in administering state programs and maintaining commercial

SB0097S02 compared with SB0097

relationships; 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

ENACTS:

63G-27-202, Utah Code Annotated 1953

REPEALS:

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

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) "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

SB0097S02 compared with SB0097

firearms:

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

(d) 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

(e) does not facilitate or commit to facilitate access to abortion or sex characteristic surgical procedures.

(3)1(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 (3)(a).

(4)5 "~~Environmental~~Economic boycott" means, without an ordinary business purpose:

(a) engaging in a boycott action targeting ~~a company that:~~

~~(a) engages in the exploration, production, utilization, transportation, sale, or manufacture of fossil fuels or fossil fuel byproducts;~~

~~(b) engages in production agriculture; or~~

~~(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;~~

~~(5):~~

(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.

SB0097S02 compared with SB0097

(b) "Ordinary business purpose" does not include a purpose that is solely related to furthering social, political, or ideological interests.

~~[(4)] (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.

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

63G-27-201. Prohibition on contracting.

(1) Except as provided in Subsection (2), 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 ~~environmental~~ economic boycott; ~~and~~

(b) the company agrees not to engage in a boycott of the State of Israel ~~for an environmental boycott } for the duration of the contract~~{~~.~~

~~(2) } [:] 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.

~~[(2)] (3)~~ This section does not:

(a) apply to:

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

~~[(b)]~~ (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

SB0097S02 compared with SB0097

(ii) the company engages in the economic boycott to comply with federal law.

Section 3. Section 63G-27-202 is enacted to read:

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.

Section 4. Repealer.

This bill repeals:

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