

Representative Candice B. Pierucci proposes the following substitute bill:

PUBLIC ENTITY RESTRICTIONS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Candice B. Pierucci

Senate Sponsor: Daniel McCay

6	Cosponsors:	Jon Hawkins	A. Cory Maloy
7	Cheryl K. Acton	Ken Ivory	Jefferson Moss
8	Kera Birkeland	Colin W. Jack	Michael J. Petersen
9	Bridger Bolinder	Tim Jimenez	Val L. Peterson
10	Jefferson S. Burton	Michael L. Kohler	Andrew Stoddard
11	Kay J. Christofferson	Trevor Lee	Jordan D. Teuscher
12	Tyler Clancy	Rosemary T. Lesser	Christine F. Watkins
13	Jennifer Dailey-Provost	Karianne Lisonbee	
	Stephanie Gricius		

LONG TITLE

General Description:

This bill concerns restrictions on a public entity.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ prohibits a municipality from entering into a sister city relationship with certain other municipalities;
- ▶ prohibits certain public entities from using the procurement process under certain



24 circumstances to:

25 • contract with certain foreign entities for certain technology products or services;

26 or

27 • obtain a product that was made using forced labor;

28 ▶ requires certain entities to provide a certification involving certain procurement
29 contracts;

30 ▶ includes cross references relating to the new requirements; and

31 ▶ makes technical and conforming changes.

32 **Money Appropriated in this Bill:**

33 None

34 **Other Special Clauses:**

35 This bill provides a coordination clause.

36 **Utah Code Sections Affected:**

37 AMENDS:

38 **63G-6a-602**, as last amended by Laws of Utah 2020, Chapter 257

39 **63G-6a-702**, as last amended by Laws of Utah 2020, Chapter 257

40 ENACTS:

41 **10-1-206**, Utah Code Annotated 1953

42 **63G-6a-121**, Utah Code Annotated 1953

43 **Utah Code Sections Affected By Coordination Clause:**

44 **63G-6a-121**, as Utah Code Annotated 1953



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

47 Section 1. Section **10-1-206** is enacted to read:

48 **10-1-206. Sister municipality restriction.**

49 (1) As used in this section, "forced labor" means labor from a child or an adult that is
50 obtained through the use of force or coercion.

51 (2) A municipality may not enter into or renew a sister city agreement or arrangement
52 with another municipality unless the other municipality confirms that there are no forced labor
53 production facilities within the other municipality's borders.

54 (3) An agreement in violation of Subsection (2) is void.

55 *The following section is affected by a coordination clause at the end of this bill.*

56 Section 2. Section **63G-6a-121** is enacted to read:

57 **63G-6a-121. Specific procurement restrictions relating to forced labor and**
 58 **restricted foreign entities.**

59 (1) As used in this section:

60 (a) "Forced labor" means labor from a child or an adult that is obtained through the use
 61 of force or coercion.

62 (b) "Forced labor product" means a product that was made:

63 (i) using forced labor; or

64 (ii) includes a component that was made using forced labor.

65 (c) "Restricted foreign entity" means:

66 (i) a company that is owned or directly controlled by the government of China, Iran,
 67 North Korea, or Russia;

68 (ii) a company that the United States Secretary of Defense is required to list as a
 69 military company under the requirements of federal national defense authorization acts;

70 (iii) an affiliate of a company described in Subsection (1)(c)(i) or (1)(c)(ii);

71 (iv) a company, entity, or other subsidiary headquartered in the country with a
 72 commercial or defense industrial base of which a company described in Subsection (1)(c)(ii) is
 73 a part;

73a **(v) a company appearing on the designated entity lists of the United States Department of**
 73b **Defense, United States Department of Commerce, or the Federal Communications**
 73c **Commission; or**

74 **(vi) a subsidiary of a company described in Subsection (1)(c)(i) ,**
 74a **(1)(c)(ii) , or (1)(c)(v) or a**
 75 **country, company, or other entity described in Subsection (1)(c)(iv).**

76 (2) (a) Except as provided under Subsection (3), an executive branch procurement unit,
 77 judicial procurement unit, or legislative procurement unit may not procure:

78 (i) technology or technology services, networks, or systems from a restricted foreign
 79 entity; or

80 (ii) a forced labor product.

81 (b) (i) A vendor that submits a bid or a proposal to a procurement unit described in
 82 Subsection (2)(a) for a contract involving technology or technology services, networks, or
 83 systems, shall certify that the vendor is not a restricted foreign entity.

84 (ii) A vendor that submits a bid or proposal to a procurement unit described in
 85 Subsection (2)(a) for a contract involving a product shall certify that the product is not a forced

86 labor product.

87 (3) (a) Except as provided under Subsection (3)(b), a procurement unit described in
88 Subsection (2)(a) shall reject a bid or proposal submitted in violation of Subsection (2).

89 (b) A procurement unit described in Subsection (2)(a) is not required to comply with
90 the requirements described in Subsection (2) if ~~§~~ :

90a (i) ~~§~~ the procurement unit has determined that there

91 are no other reasonable options for the procurement ~~§~~ [;] ; or

91a (ii) the product or service, or the contract pertaining to the product or service, was obtained or
91b entered into before May 1, 2024. ~~§~~

92 (4) The board may make rules in accordance with Chapter 3, Utah Administrative
93 Rulemaking Act, to address procurement restrictions relating to restricted foreign entities and
94 forced labor products.

95 Section 3. Section **63G-6a-602** is amended to read:

96 **63G-6a-602. Contracts awarded by bidding.**

97 A procurement unit may award a contract for a procurement item by the bidding
98 process, in accordance with:

99 (1) the rules of the rulemaking authority; and

100 (2) if applicable, the requirements under Section [63G-6a-121](#), Specific procurement
101 restrictions relating to forced labor and restricted foreign entities.

102 Section 4. Section **63G-6a-702** is amended to read:

103 **63G-6a-702. Contracts awarded by request for proposals.**

104 (1) A procurement unit may award a contract for a procurement item by the request for
105 proposals process, in accordance with:

106 (a) rulemaking authority rules[-]; and

107 (b) if applicable, the requirements under Section [63G-6a-121](#), Specific procurement
108 restrictions relating to forced labor and restricted foreign entities.

109 (2) The procurement of architect-engineer services is governed by Part 15, Design
110 Professional Services.

111 Section 5. **Effective date.**

112 This bill takes effect on May 1, 2024.

113 Section 6. **Coordinating H.B. 404 with S.B. 135.**

114 If H.B. 404, Public Entity Restrictions, and S.B. 135, Advanced Air Mobility and

115 Aeronautics Amendments, both pass and become law, the Legislature intends that, on January
116 1, 2025, the following language be added as Subsection (5) to Section [63G-6a-121](#) enacted in

117 H.B. 404:

118 "(5) Notwithstanding this section, a procurement of an unmanned aircraft system is
119 governed by Title 72, Chapter 10, Part 12, Prohibition on the Purchase of Unmanned Aircraft
120 Manufactured or Assembled by a Covered Foreign Entity."