

PUBLIC ENTITY RESTRICTIONS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Candice B. Pierucci

Senate Sponsor: Daniel McCay

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 circumstances to:
 - contract with certain foreign entities for certain technology products or services;
- or
- obtain a product that was made using forced labor;
- ▶ requires certain entities to provide a certification involving certain procurement contracts;
- ▶ includes cross references relating to the new requirements; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None



28 **Utah Code Sections Affected:**

29 AMENDS:

30 **63G-6a-602**, as last amended by Laws of Utah 2020, Chapter 257

31 **63G-6a-702**, as last amended by Laws of Utah 2020, Chapter 257

32 ENACTS:

33 **10-1-206**, Utah Code Annotated 1953

34 **63G-6a-121**, Utah Code Annotated 1953

35

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

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

38 **10-1-206. Sister municipality restriction.**

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

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

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

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

46 **63G-6a-121. Specific procurement restrictions relating to forced labor and**
47 **restricted foreign entities.**

48 (1) As used in this section:

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

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

52 (i) using forced labor; or

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

54 (c) "Restricted foreign entity" means:

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

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

- 59 (iii) an affiliate of a company described in Subsection (1)(c)(i) or (1)(c)(ii);
60 (iv) the country with a commercial or defense industrial base of which a company
61 described in Subsection (1)(c)(ii) is a part; or
62 (v) a subsidiary of a company described in Subsection (1)(c)(i) or (1)(c)(ii) or a country
63 described in Subsection (1)(c)(iv).
- 64 (2) (a) Except as provided under Subsection (3), an executive branch procurement unit,
65 judicial procurement unit, or legislative procurement unit may not procure:
- 66 (i) technology or technology services, networks, or systems from a restricted foreign
67 entity; or
- 68 (ii) a forced labor product.
- 69 (b) (i) A vendor that submits a bid or a proposal to a procurement unit described in
70 Subsection (2)(a) for a contract involving technology or technology services, networks, or
71 systems, shall certify that the vendor:
- 72 (A) is not a restricted foreign entity; and
- 73 (B) will not, in the fulfillment of the contract, use a subcontractor that is a restricted
74 foreign entity.
- 75 (ii) A vendor that submits a bid or proposal to a procurement unit described in
76 Subsection (2)(a) for a contract involving a product shall certify that the product is not a forced
77 labor product.
- 78 (3) (a) Except as provided under Subsection (3)(b), a procurement unit described in
79 Subsection (2)(a) shall reject a bid or proposal submitted in violation of Subsection (2).
- 80 (b) A procurement unit described in Subsection (2)(a) is not required to comply with
81 the requirements described in Subsection (2) if the procurement unit has determined that there
82 are no other reasonable options for the procurement.
- 83 Section 3. Section **63G-6a-602** is amended to read:
- 84 **63G-6a-602. Contracts awarded by bidding.**
- 85 A procurement unit may award a contract for a procurement item by the bidding
86 process, in accordance with:
- 87 (1) the rules of the rulemaking authority; and
- 88 (2) if applicable, the requirements under Section [63G-6a-121](#), Specific procurement
89 restrictions relating to forced labor and restricted foreign entities.

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

91 **63G-6a-702. Contracts awarded by request for proposals.**

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

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

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

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

99 Section 5. **Effective date.**

100 This bill takes effect on May 1, 2024.