

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

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



26 **Other Special Clauses:**

27 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



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

63 (v) a subsidiary of a company described in Subsection (1)(c)(i) or (1)(c)(ii) or a
64 country, company, or other entity described in Subsection (1)(c)(iv).

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

67 (i) technology or technology services, networks, or systems from a restricted foreign
68 entity; or

69 (ii) a forced labor product.

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

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

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

78 (b) A procurement unit described in Subsection (2)(a) is not required to comply with
79 the requirements described in Subsection (2) if the procurement unit has determined that there
80 are no other reasonable options for the procurement.

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

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

85 **63G-6a-602. Contracts awarded by bidding.**

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

88 (1) the rules of the rulemaking authority; and
89 (2) if applicable, the requirements under Section 63G-6a-121, Specific procurement
90 restrictions relating to forced labor and restricted foreign entities.

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

92 **63G-6a-702. Contracts awarded by request for proposals.**

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

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

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

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

100 Section 5. **Effective date.**

101 This bill takes effect on May 1, 2024.