

HB0404S01 compared with HB0404

{deleted text} shows text that was in HB0404 but was deleted in HB0404S01.

inserted text shows text that was not in HB0404 but was inserted into HB0404S01.

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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;

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- ▶ 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

Utah Code Sections Affected:

AMENDS:

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

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

ENACTS:

10-1-206, Utah Code Annotated 1953

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

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

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

10-1-206. Sister municipality restriction.

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

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

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

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

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

(1) As used in this section:

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

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

(i) using forced labor; or

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

(c) "Restricted foreign entity" means:

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

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

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

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

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

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

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

(ii) a forced labor product.

(b) (i) A vendor that submits a bid or a proposal to a procurement unit described in Subsection (2)(a) for a contract involving technology or technology services, networks, or systems, shall certify that the vendor ~~is~~

~~_____ (A) } is not { a restricted foreign entity; and~~

~~_____ (B) will not, in the fulfillment of the contract, use a subcontractor that is } a restricted foreign entity.~~

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

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

(b) A procurement unit described in Subsection (2)(a) is not required to comply with

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the requirements described in Subsection (2) if the procurement unit has determined that there are no other reasonable options for the procurement.

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

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

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

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

(1) the rules of the rulemaking authority; and

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

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

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

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

(a) rulemaking authority rules[-]; and

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

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

Section 5. **Effective date.**

This bill takes effect on May 1, 2024.