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1	PUBLIC CONTRACT REQUIREMENTS
2	2023 GENERAL SESSION
3	STATE OF UTAH
4	Chief Sponsor: Chris H. Wilson
5	House Sponsor: Rex P. Shipp
6	
7	LONG TITLE
8	General Description:
9	This bill addresses public entity contract requirements.
0	Highlighted Provisions:
l	This bill:
2	defines terms;
3	 subject to exceptions, prohibits a public entity from entering into a contract with a
4	company that engages in certain boycott actions;
5	 prohibits a person from penalizing a company that agrees not to engage in certain
6	boycott actions while under contract with a public entity;
7	 provides that a person who penalizes a company for agreeing not to engage in
8	certain boycott actions while under contract with a public entity interferes with the
9	state's interest in administering state programs and maintaining commercial
0	relationships; and
1	makes technical and conforming changes.
2	Money Appropriated in this Bill:
3	None
.4	Other Special Clauses:
.5	None
6	Utah Code Sections Affected:
7	AMENDS:
8	63G-27-102, as enacted by Laws of Utah 2021, Chapter 347
9	63G-27-201, as enacted by Laws of Utah 2021, Chapter 347

ENAC	CTS:
	63G-27-202 , Utah Code Annotated 1953
REPE	ALS:
	63G-27-101, as enacted by Laws of Utah 2021, Chapter 347
Be it e	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
comm	ercial 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
manui	facture of fossil fuel-based energy, timber, mining, or agriculture;
	(b) engages in, facilitates, or supports the manufacture, distribution, sale, or use of
firearr	<u>ms;</u>
	(c) does not meet or commit to meet environmental standards, including standards for
<u>elimin</u>	nating, reducing, offsetting, or disclosing greenhouse gas-emissions, beyond applicable
state a	and federal law requirements; or
	(d) does not facilitate or commit to facilitate access to abortion or sex characteristic
surgic	al procedures.

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[(3)] (4) (a) "Company" means a corporation, partnership, limited liability company, or

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58	similar entity.
59	(b) "Company" includes any wholly-owned subsidiary, majority-owned subsidiary,
60	parent company, or affiliate of an entity described in Subsection $[(3)(a)]$ $(4)(a)$.
61	(5) "Economic boycott" means, without an ordinary business purpose:
62	(a) engaging in a boycott action targeting:
63	(i) a boycotted company; or
64	(ii) another company because the company does business with a boycotted company; or
65	(b) taking an action intended to penalize, inflict economic harm to, or change or limit
66	the activities of:
67	(i) a boycotted company; or
68	(ii) another company because the company does business with a boycotted company.
69	(6) (a) "Ordinary business purpose" means a purpose that is related to business
70	operations.
71	(b) "Ordinary business purpose" does not include a purpose that is solely related to
72	furthering social, political, or ideological interests.
73	[(4)] (7) "Public entity" means the state or a political subdivision of the state, including
74	each department, division, office, board, commission, council, authority, or institution of the
75	state or a political subdivision of the state.
76	Section 2. Section 63G-27-201 is amended to read:
77	63G-27-201. Prohibition on contracting.
78	(1) Except as provided in Subsection $[\frac{(2)}{2}]$ (3), a public entity may not enter into a
79	contract with a company to acquire or dispose of a good or service, including supplies,
80	information technology, or construction services, unless:
81	(a) the contract includes a written certification that the company is not currently
82	engaged in:
83	(i) a boycott of the State of Israel; or
84	(ii) an economic boycott; [and]
85	(b) the company agrees not to engage in a boycott of the State of Israel for the duration

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86	of the contract[-]; and
87	(c) the company agrees to notify the public entity in writing if the company begins
88	engaging in an economic boycott.
89	(2) A company's notice under Subsection (1)(c) may be grounds for termination of the
90	contract.
91	[(2)] (3) This section does not:
92	(a) apply to:
93	[(a)] (i) a contract with a total value of less than \$100,000; or
94	[(b)] (ii) a contract with a company that has fewer than 10 full-time employees[-]; or
95	(b) prohibit a public entity from entering into a contract with a company that engages
96	in an economic boycott if:
97	(i) there is no economically practicable alternative available to the public entity to:
98	(A) acquire or dispose of the good or service; or
99	(B) meet the public entity's legal duties to issue, incur, or manage debt obligations, or
100	deposit, keep custody of, manage, borrow, or invest funds; or
101	(ii) the company engages in the economic boycott to comply with federal law.
102	Section 3. Section 63G-27-202 is enacted to read:
103	63G-27-202. Prohibition on interference with state programs and commercial
104	relationships.
105	(1) A person may not take action to penalize or threaten to penalize a company because
106	the company enters into a contract that complies with Subsections 63G-27-201(1)(a)(ii) or (c).
107	(2) A person who takes an action or makes a threat in violation of Subsection (1)
108	interferes with the state's interest in administering state programs and maintaining commercial
109	relationships.
110	Section 4. Repealer.
111	This bill repeals:
112	Section 63G-27-101, Title.