SENATE BILL 1611

AN ACT

AMENDING TITLE 35, CHAPTER 2, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 4; RELATING TO PUBLIC MONIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)
Be it enacted by the Legislature of the State of Arizona:

Section 1. Title 35, chapter 2, Arizona Revised Statutes, is amended by adding article 4, to read:

ARTICLE 4. PROHIBITED CONTRACTING

35-351. Contracting; procurement; investment; prohibition; definitions

A. A PUBLIC ENTITY MAY NOT REQUIRE, AS A CONDITION OF ENTERING INTO OR RENEWING A CONTRACT WITH A COMPANY TO ACQUIRE SERVICES, SUPPLIES, INFORMATION TECHNOLOGY, GOODS OR CONSTRUCTION SERVICES, THAT THE COMPANY IMPLEMENT AN ENVIRONMENTAL, SOCIAL OR GOVERNANCE STANDARDS POLICY.

B. A PUBLIC ENTITY MAY NOT ADOPT A PROCUREMENT, INVESTMENT OR OTHER POLICY THAT HAS THE EFFECT OF INDUCING OR REQUIRING A COMPANY TO IMPLEMENT AN ENVIRONMENTAL, SOCIAL OR GOVERNANCE STANDARDS POLICY.

C. FOR THE PURPOSES OF THIS SECTION:

1. "COMPANY" MEANS AN ORGANIZATION, ASSOCIATION, CORPORATION, PARTNERSHIP, JOINT VENTURE, LIMITED PARTNERSHIP, LIMITED LIABILITY PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY OR BUSINESS ASSOCIATION, INCLUDING A WHOLLY OWNED SUBSIDIARY, MAJORITY-OWNED SUBSIDIARY, PARENT COMPANY OR AFFILIATE, THAT ENGAGES IN FOR-PROFIT ACTIVITY AND THAT HAS TEN OR MORE FULL-TIME EMPLOYEES.

2. "ENVIRONMENTAL, SOCIAL OR GOVERNANCE STANDARDS POLICY" MEANS A BUSINESS POLICY THAT FURTHERS ANY OF THE FOLLOWING:

   (a) AN INTERNATIONAL, DOMESTIC OR INDUSTRY AGREEMENT RELATING TO AN ENVIRONMENTAL OR SOCIAL GOAL.

   (b) A CORPORATE GOVERNANCE STRUCTURE BASED ON SOCIAL CHARACTERISTICS.

   (c) A SOCIAL OR ENVIRONMENTAL GOAL.

3. "PUBLIC ENTITY":

   (a) MEANS THIS STATE, A POLITICAL SUBDIVISION OF THIS STATE OR AN AGENCY, BOARD, COMMISSION OR DEPARTMENT OF THIS STATE OR A POLITICAL SUBDIVISION OF THIS STATE.

   (b) INCLUDES THE UNIVERSITIES UNDER THE JURISDICTION OF THE ARIZONA BOARD OF REGENTS AND COMMUNITY COLLEGE DISTRICTS AS DEFINED IN SECTION 15-1401.