

Senate Engrossed
public entities; contracts; prohibition

State of Arizona
Senate
Fifty-sixth Legislature
First Regular Session
2023

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)

1 Be it enacted by the Legislature of the State of Arizona:

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

4 ARTICLE 4. PROHIBITED CONTRACTING

5 35-351. Contracting; procurement; investment; prohibition;
6 definitions

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

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

14 C. FOR THE PURPOSES OF THIS SECTION:

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

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

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

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

27 (c) A SOCIAL OR ENVIRONMENTAL GOAL.

28 3. "PUBLIC ENTITY":

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

32 (b) INCLUDES THE UNIVERSITIES UNDER THE JURISDICTION OF THE ARIZONA
33 BOARD OF REGENTS AND COMMUNITY COLLEGE DISTRICTS AS DEFINED IN SECTION
34 15-1401.