

REFERENCE TITLE: public entities; contracts; prohibition

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

# **SB 1611**

Introduced by  
Senator Kern

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; written certification; procurement;  
6 investment; prohibition; definitions

7 A. A PUBLIC ENTITY MAY NOT ENTER INTO OR RENEW A CONTRACT WITH A  
8 COMPANY TO ACQUIRE SERVICES, SUPPLIES, INFORMATION TECHNOLOGY, GOODS OR  
9 CONSTRUCTION SERVICES UNLESS THE CONTRACT INCLUDES A WRITTEN CERTIFICATION  
10 THAT THE COMPANY DOES NOT CURRENTLY, AND AGREES FOR THE DURATION OF THE  
11 CONTRACT THAT THE COMPANY WILL NOT, IMPLEMENT AN ENVIRONMENTAL, SOCIAL OR  
12 GOVERNANCE STANDARDS POLICY.

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

16 C. FOR THE PURPOSES OF THIS SECTION:

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

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

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

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

29 (c) A SOCIAL OR ENVIRONMENTAL GOAL.

30 3. "PUBLIC ENTITY":

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

34 (b) INCLUDES THE UNIVERSITIES UNDER THE JURISDICTION OF THE ARIZONA  
35 BOARD OF REGENTS AND COMMUNITY COLLEGE DISTRICTS AS DEFINED IN SECTION  
36 15-1401.