

Fiscal Note

BILL # SB 1341

TITLE: procurement; electric vehicles; forced labor

SPONSOR: Carroll

STATUS: Senate Engrossed

PREPARED BY: Jordan Johnston

Description

The bill would prohibit a government entity from entering into a contract to procure an electric vehicle unless the manufacturer provides a sworn certification that they did not knowingly use forced labor or oppressive child labor for the sourcing or production of their vehicle parts and consents to personal jurisdiction in Arizona.

Estimated Impact

We estimate the bill may have an impact on future state agency purchasing behavior of electric vehicles depending on how many manufacturers are unable to provide sworn certification and the anticipated number of future electric vehicle purchases by state agencies. Currently, the state owns a small number of electric vehicles. As such, we do not expect the bill to generate any significant cost in the short run.

We have requested the Arizona Department of Transportation's (ADOT) estimated impact of this legislation and are awaiting their response.

Analysis

The number of electric vehicles available for procurement by state and local governments will depend on the number of manufacturers that are unable to provide sworn certification that they did not knowingly use forced labor.

Based on information from ADOT, agency fleets currently have a small number of electric vehicles. Presumably, the number of electric vehicles purchased by agencies will grow over time. We assume agencies will continue purchasing vehicles to the extent that there is a need, and do not expect the bill to influence the size of state agency fleets. If state agencies currently procure electric vehicles from manufacturers that are unable to provide a sworn certification, the bill could influence the mix of gasoline, electric, or other alternative fuel vehicles purchased in the future.

If the state continues purchasing electric vehicles, we do not know if the purchase cost would be more expensive. Vehicles produced using forced labor would hypothetically be cheaper than vehicles produced without forced labor, but numerous factors determine the ultimate price of a vehicle. Therefore, we do not expect the bill to generate any significant state cost in the short-run due to the lack of electric vehicles in the state fleet. If the electric vehicle fleet grows over time, the impact would depend on the types of electric vehicles available on the market at the time of purchase.

Local Government Impact

The impact of the legislation on local governments will similarly depend on the number of electric vehicles available on the market and the anticipated number of future electric vehicle purchases by local governments.

3/26/24

