

REFERENCE TITLE: procurement; electric vehicles; forced labor

State of Arizona
Senate
Fifty-sixth Legislature
Second Regular Session
2024

SB 1341

Introduced by
Senators Carroll: Bennett, Borrelli, Gowan, Kerr, Shamp, Shope;
Representatives Bliss, Cook, Hernandez C, Montenegro, Payne, Peña

AN ACT

AMENDING TITLE 1, CHAPTER 8, ARTICLE 1, ARIZONA REVISED STATUTES, BY
ADDING SECTION 1-802; RELATING TO THE PROCUREMENT CODE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Heading change

3 The chapter heading of title 1, chapter 8, Arizona Revised Statutes,
4 is changed from "GOVERNMENTAL MAINTENANCE OPERATIONS AND CAPITAL PROJECT"
5 to "GOVERNMENTAL OPERATIONS".

6 Sec. 2. Title 1, chapter 8, article 1, Arizona Revised Statutes, is
7 amended by adding section 1-802, to read:

8 1-802. Governmental entity; sworn certification; electric
9 vehicles; forced labor; civil penalty; definitions

10 A. A GOVERNMENTAL ENTITY MAY NOT ENTER INTO A CONTRACT FOR THE
11 PROCUREMENT OF ELECTRIC VEHICLES OR ANY COMPONENT OF AN ELECTRIC VEHICLE
12 UNLESS THE MANUFACTURER OR MOTOR VEHICLE DEALER PROVIDES A SWORN
13 CERTIFICATION TO THE GOVERNMENTAL ENTITY THAT MEETS BOTH OF THE FOLLOWING:

14 1. CERTIFIES THAT NO ENTITY INVOLVED IN THE PRODUCTION OF ELECTRIC
15 VEHICLES OR ANY COMPONENT OF AN ELECTRIC VEHICLE, INCLUDING THE PRODUCTION
16 OF ANY PARTS OR THE MINING OR OTHER SOURCING OF ANY MATERIALS, USED FORCED
17 LABOR OR OPPRESSIVE CHILD LABOR.

18 2. CONSENTS TO PERSONAL JURISDICTION IN THIS STATE.

19 B. IN ADDITION TO ANY OTHER REMEDIES AVAILABLE BY LAW OR EQUITY, IF
20 THE MANUFACTURER OR MOTOR VEHICLE DEALER PROVIDES FALSE OR MISLEADING
21 INFORMATION PURSUANT TO SUBSECTION A OF THIS SECTION, THE MANUFACTURER OR
22 MOTOR VEHICLE DEALER IS SUBJECT TO A CIVIL PENALTY OF \$10,000 PER FALSE OR
23 MISLEADING STATEMENT OR ONE-HALF OF THE TOTAL PRICE PAID BY THE
24 GOVERNMENTAL ENTITY FOR THE ELECTRIC VEHICLES OR COMPONENTS, WHICHEVER IS
25 GREATER.

26 C. AN EMPLOYEE OF THE MANUFACTURER OR OF THE MOTOR VEHICLE DEALER
27 WHO KNOWINGLY VIOLATES THIS SECTION IS SUBJECT TO A CIVIL PENALTY OF
28 \$10,000 PER FALSE OR MISLEADING STATEMENT OR THE TOTAL PRICE PAID BY THE
29 GOVERNMENTAL ENTITY FOR THE VEHICLES OR COMPONENTS, WHICHEVER IS GREATER.

30 D. FOR THE PURPOSES OF THIS SECTION:

31 1. "ELECTRIC VEHICLE" MEANS A MOTOR VEHICLE THAT IS PROPELLED BY AN
32 ELECTRIC MOTOR THAT DRAWS ELECTRICITY FROM A BATTERY CAPABLE OF BEING
33 RECHARGED FROM AN EXTERNAL SOURCE OF ELECTRICITY.

34 2. "FORCED LABOR" MEANS ALL WORK OR SERVICES THAT ARE ANY OF THE
35 FOLLOWING:

36 (a) OBTAINED BY:

37 (i) FORCE, FRAUD OR COERCION, INCLUDING BY THREAT OF SERIOUS HARM
38 TO OR PHYSICAL RESTRAINT AGAINST ANY PERSON.

39 (ii) ANY SCHEME, PLAN OR PATTERN INTENDED TO CAUSE THE PERSON TO
40 BELIEVE THAT IF THE PERSON DID NOT PERFORM THE LABOR OR SERVICES, THE
41 PERSON OR ANOTHER PERSON WOULD SUFFER SERIOUS HARM OR PHYSICAL RESTRAINT.

42 (iii) THE ABUSE OR THREATENED ABUSE OF THE LAW OR THE LEGAL
43 PROCESS.

44 (b) IMPOSED ON THE BASIS OF A PROTECTED CHARACTERISTIC.

45 (c) NOT OFFERED OR PROVIDED VOLUNTARILY BY THE WORKER.

1 (d) PRODUCED THROUGH THE USE OF OPPRESSIVE CHILD LABOR.

2 3. "GOVERNMENTAL ENTITY" MEANS A CITY, TOWN, COUNTY OR POLITICAL
3 SUBDIVISION OF THIS STATE OR A DEPARTMENT, AGENCY, BOARD, COMMISSION,
4 AUTHORITY, SCHOOL DISTRICT, CHARTER SCHOOL, UNIVERSITY UNDER THE
5 JURISDICTION OF THE ARIZONA BOARD OF REGENTS OR COMMUNITY COLLEGE DISTRICT
6 OR ANY OTHER ENTERPRISE OPERATED BY THIS STATE OR ANY POLITICAL
7 SUBDIVISION OF THIS STATE.

8 4. "MOTOR VEHICLE DEALER" HAS THE SAME MEANING PRESCRIBED IN
9 SECTION 28-4301.

10 5. "OPPRESSIVE CHILD LABOR" MEANS A CONDITION OF EMPLOYMENT WHERE A
11 PERSON UNDER FOURTEEN YEARS OF AGE IS EMPLOYED IN AN OCCUPATION HAZARDOUS
12 TO CHILDREN, SUCH AS MANUFACTURING OR MINING.

13 6. "PROTECTED CHARACTERISTIC" MEANS ANY CHARACTERISTICS PROTECTED
14 UNDER THE CIVIL RIGHTS LAWS OF THIS STATE.

15 Sec. 3. Legislative findings

16 The legislature finds that:

17 1. Many electric vehicles are being made with components created
18 using forced labor, including materials mined by Uyghur Muslims and other
19 Muslim minorities in China's Xinjiang region.

20 2. Concerns about the use of forced labor to create these
21 components and materials prompted the federal government to pass the
22 Uyghur forced labor prevention act (P.L. 117-78; 135 Stat. 1525) with
23 overwhelming bipartisan support.

24 3. Under the Uyghur forced labor prevention act, there is a
25 rebuttable presumption that any product manufactured in whole or in part
26 in the Xinjiang Uyghur autonomous region was produced by forced labor.

27 4. The federal government recently restricted the application of
28 its newly created tax credits for electric vehicles, so that "beginning in
29 2024, an eligible clean vehicle may not contain any battery components
30 that are manufactured by a foreign entity of concern and beginning in 2025
31 an eligible clean vehicle may not contain any critical minerals that were
32 extracted, processed, or recycled by a foreign entity of concern".

33 5. The federal government recently proposed a regulation for
34 another act that any company subject to China's jurisdiction will be
35 defined as a foreign entity of concern, which would prevent federal tax
36 credits from supporting sales of electric vehicles made with battery
37 components from Chinese entities.

38 6. Many electric vehicles also are being made with components
39 created through the use of oppressive child labor, most notably, through
40 cobalt ore mined in dangerous conditions by thousands of young children in
41 the Democratic Republic of the Congo and sent to China for use in
42 manufacturing lithium-ion batteries.

43 7. The federal government recently concluded that "downstream
44 products containing lithium-ion batteries may be produced with an input
45 produced with child labor, such as electric cars".

1 8. The use of forced labor is repugnant and deplorable, violates
2 basic human rights, constitutes unacceptable discrimination and damages
3 free and fair competition.

4 9. State governments should take steps to ensure that taxpayer
5 dollars are not being used to pay for electric vehicles that may have been
6 partially manufactured through forced labor.

7 Sec. 4. Applicability

8 This act applies to all electric vehicle procurement contracts
9 entered into, amended or renewed after the effective date of this act.