

Senate Engrossed

procurement; electric vehicles; forced labor

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

# SENATE BILL 1341

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 PROVIDES A SWORN CERTIFICATION TO THE GOVERNMENTAL  
13 ENTITY THAT MEETS BOTH OF THE FOLLOWING:

14 1. CERTIFIES THAT NO ENTITY THAT MANUFACTURES OR ASSEMBLES ELECTRIC  
15 VEHICLES OR ANY COMPONENT OF AN ELECTRIC VEHICLE FOR PROCUREMENT,  
16 INCLUDING THE PRODUCTION OF ANY PARTS OR THE MINING OR OTHER SOURCING OF  
17 ANY MATERIALS, KNOWINGLY USED FORCED 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 PROVIDES FALSE OR MISLEADING INFORMATION PURSUANT TO  
21 SUBSECTION A OF THIS SECTION, THE MANUFACTURER IS SUBJECT TO A CIVIL  
22 PENALTY OF \$10,000 PER FALSE OR MISLEADING STATEMENT OR ONE-HALF OF THE  
23 TOTAL PRICE PAID BY THE GOVERNMENTAL ENTITY FOR THE ELECTRIC VEHICLES OR  
24 COMPONENTS, WHICHEVER IS GREATER.

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

29 D. FOR THE PURPOSES OF THIS SECTION:

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

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

35 (a) OBTAINED BY:

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

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

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

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

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

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

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

10 4. "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 5. "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.

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

4           8. The use of forced labor is repugnant and deplorable, violates  
5 basic human rights, constitutes unacceptable discrimination and damages  
6 free and fair competition.

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

10           Sec. 4. Applicability

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