ARIZONA HOUSE OF REPRESENTATIVES



Fifty-sixth Legislature Second Regular Session

House: GOV DP 6-1-2-0 | 3rd Read 43-16-0-0-1 **Senate:** GOV DPA 4-3-1-0 | 3rd Read 16-11-3-0

HB 2591: forced labor; child labor; prohibitions Sponsor: Representative Biasiucci, LD 30 Senate Engrossed

Overview

Prohibits a public power entity or public service corporation from entering into a contract with a person or company that uses forced labor or oppressive child labor.

History

<u>Laws 2022</u>, <u>Chapter 295</u> prohibits a public entity from entering into or renewing a contract with a company for the acquisition or disposition of goods, information technology, construction, services or supplies unless the contract includes a written certification that the company does not currently and agrees for the duration of the contract that it will not use the forced labor of ethnic Uyghurs in the People's Republic of China.

Public entity is defined as this state, a political subdivision of this state or a commission, department, board or agency of this state or a political subdivision. Current law additionally defines a *company* as an association, corporation, organization, partnership, joint venture or business association that engages in for-profit activity and that has 10 or more full-time employees (A.R.S. § 35-394).

Provisions

- 1. States that a public power entity or public service corporation may not enter into or renew a contract with a company or person for the acquisition or disposition of electric vehicles, batteries, solar panels, land and minerals used to create batteries and solar panels unless the contract includes a sworn certification that the person or company does not currently, and agrees for the duration of the contract that it will not, knowingly use:
 - a) forced labor;
 - b) oppressive child labor;
 - c) any services or goods produced by oppressive child labor or forced labor; and
 - d) any suppliers, contractors or subcontractors that use oppressive child labor or forced labor or any services or goods produced by oppressive child labor or forced labor. (Sec. 1, 4)
- 2. Requires a company or person, within five business days after becoming aware of noncompliance, to notify the public power entity or public service corporation that the company or person is not in compliance with the sworn certification during the term of the contract. (Sec. 1, 4)
- 3. Specifies that the contract terminates if the company or person does not provide the public power entity or public service corporation with a sworn certification that the company or person has remedied the noncompliance within 180 days after notifying the public entity of the noncompliance. (Sec. 1, 4)

- 4. Declares that if the contract termination date occurs before the end of the remedy period, the contract terminates on the contract termination date. (Sec. 1, 4)
- 5. Instructs the company or person that provides the sworn statement to certify that they do not knowingly use oppressive child labor or forced labor. (Sec. 1, 3, 4)
- 6. Clarifies that this legislation does not apply to a contract entered into before the general effective date. (Sec. 1-4)
- 7. Stipulates that a public entity may not enter into or renew a contract with a company *or person* for the acquisition or disposition of land goods, including electric vehicles, batteries, solar panels and the minerals used to create batteries and solar panels unless the contract includes a *sworn* certification that the person or company does not currently, and agrees for the duration of the contract that it will not, knowingly use:
 - a) forced labor;
 - b) oppressive child labor;
 - c) any services or goods produced by oppressive child labor or forced labor; and
 - d) any suppliers, contractors or subcontractors that use oppressive child labor or forced labor or any services or goods produced by oppressive child labor or forced labor. (Sec. 3)
- 8. Prescribes a civil penalty of no more than \$10,000 for each violation. (Sec. 1-4)
- 9. Modifies the definition of *company*. (Sec. 3)
- 10. Defines:
 - a) company;
 - b) forced labor;
 - c) minerals:
 - d) oppressive child labor; and
 - e) sworn certification. (Sec. 1, 3, 4)
- 11. Makes technical and conforming changes. (Sec. 2, 3)

Senate Amendments

- 1. Includes acquiring a utility scale in the prescribed sworn certification requirements.
- 2. Specifies that an automobile manufacturer must provide the required sworn certification for contracts to acquire electric vehicles and the component parts of electric vehicles.
- 3. Makes technical and conforming changes.

□ Prop 105 (45 votes)	□ Prop 108 (40 votes)	☐ Emergency (40 votes)	□ Fiscal Note
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