



ARIZONA STATE SENATE
Fifty-Sixth Legislature, First Regular Session

VETOED

AMENDED

FACT SHEET FOR S.B. 1096

firearms; contracts; prohibited practices

Purpose

Prohibits a public entity from entering into a contract of \$100,000 or more with a company to acquire or dispose of services, supplies, information technology or construction unless the contract includes a written certification that the company does not, and will not, discriminate against a firearm entity or firearm trade association.

Background

Current statute prohibits the state, a political subdivision of the state or an agency, board, commission or department (public entity) from entering into a contract with a value of \$100,000 or more with a company to acquire or dispose of services, supplies, information technology or construction unless the contract includes a written certification that the company is not currently engaged in, and agrees for the duration of the contract to not engage in, a boycott of goods and services from Israel. A public entity may not adopt a procurement, investment or other policy that has the effect of inducing or requiring a person or company to boycott Israel (A.R.S §§ [35-393](#) and [35-393.01](#)).

Current statute also prohibits a public entity from entering into or renewing a contract with a company to acquire or dispose of services, supplies, information technology, goods or construction 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: 1) the forced labor of ethnic Uyghurs in the People's Republic of China; 2) any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China; or 3) any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China ([A.R.S. § 35-394](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Prohibits a public entity from entering into a contract with a value of \$100,000 or more with a company to acquire or dispose of services, supplies, information technology or construction 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, discriminate against a firearm entity or firearm trade association.

2. Exempts, from the written certification requirement, contracts entered into by a public entity if either:
 - a) the contract is a sole source contract; or
 - b) the public entity does not receive a responsive bid from any company that is able to provide the written certification.
3. Specifies that a public entity complies with the written certification requirement by including a written certification that was submitted by the company as part of the procurement process.
4. Prohibits a public entity from adopting a procurement, investment or other policy that has the effect of inducing or requiring a person or company to discriminate against a firearm entity or firearm trade association.
5. Specifies that the written certification requirement and the public entity policy prohibition do not apply to contracts entered into before the general effective date.
6. Defines *public entity* as the state, a political subdivision of the state or an agency, board, commission or department of the state, or a political subdivision of the state, except a political subdivision that operates a federal reclamation project.
7. Defines *company* as an organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company or other entity or business association, including a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate, that engages in for-profit activity and that has 10 or more full-time employees.
8. Defines *discriminate* as, based solely on its status as a firearm entity or firearm trade association:
 - a) refusing to engage in trading any goods or services with a firearm entity or firearm trade association;
 - b) refraining from continuing an existing business relationship with a firearm entity or firearm trade association; or
 - c) terminating an existing business relationship with a firearm entity or firearm trade association.
9. Excludes, from the definition of *discriminate*:
 - a) following the established policies of a merchant, retail seller or platform that restrict or prohibit the advertising, listing or selling of ammunition, firearms or firearms accessories; and
 - b) refusing to engage in trading goods or services, refraining from continuing an existing business relationship or terminating an existing business relationship in order to comply with a federal, state or local law, policy, rule or regulation or for any traditional business reason that is specific to the firearm entity or firearm trade association but is not based solely on its status as a firearm entity or firearm trade association.

10. Defines *firearm entity* as either:

- a) a firearm, firearm accessory or ammunition manufacturer, retailer, wholesaler, supplier or distributor; or
- b) an indoor or outdoor shooting range.

11. Defines *firearm trade association* as any person, corporation, unincorporated association, federation, business league or professional or business organization that:

- a) is not organized or operated for profit and for which no part of its net earning inures to the benefit of any private shareholder or individual;
- b) is a 501(c)(6) organization; and
- c) has two or more members who are firearm, firearm accessory or ammunition manufacturers or sellers.

12. Defines *ammunition, firearm and firearm accessory*.

13. Becomes effective on the general effective date.

Amendments Adopted by Committee

- Excludes, from the definition of *discriminate*, following the established policies of a merchant, retail seller or platform that restricts or prohibits the advertising of ammunition, firearms or firearms accessories.

Governor's Veto Message

The Governor indicates in her [veto message](#) that S.B. 1096 is unnecessary and could result in banks leaving Arizona's market, which would limit competition and increase costs for local governments.

Senate Action

House Action

COM	2/1/23	DPA	4-2-1	JUD	3/8/23	DP	5-3-0-0
3 rd Read	2/21/23		16-13-1	3 rd Read	3/22/23		31-29-0

Vetoed by the Governor 3/28/23

Prepared by Senate Research

March 29, 2023

JT/FB/sr