HB 1580-FN - AS INTRODUCED

2024 SESSION

24-2184
11/08

HOUSE BILL ***1580-FN***

AN ACT relative to the prohibition of government procurement of electric vehicles containing components created through the use of forced labor.

SPONSORS: Rep. Notter, Hills. 12; Rep. Harrington, Straf. 18; Rep. Summers, Rock. 20; Rep. Cambrils, Merr. 4; Rep. Ulery, Hills. 13; Rep. Spillane, Rock. 2; Rep. Hobson, Rock. 14; Rep. Bernardy, Rock. 36; Rep. Love, Rock. 13

COMMITTEE: Executive Departments and Administration

ANALYSIS

This bill prohibits government procurement contracts for electric vehicles made through forced labor.

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Explanation: Matter added to current law appears in ***bold italics.***
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Four

AN ACT relative to the prohibition of government procurement of electric vehicles containing components created through the use of forced labor.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 New Section; Government Procurement of Electric Vehicles. Amend RSA 21-I by inserting after section 21-I:7-e the following new section:

21-I:7-d Governmental Entity; Procurement of Electric Vehicles.

I. In this section:

(a) “Forced labor” means all work or service that is:

(1) Obtained by force, fraud, or coercion, including by threat of serious harm to, or physical restraint against, any person by means of any scheme, plan, or pattern intended to cause the person to believe that if the person did not perform such labor or services, the person or another person would suffer serious harm or physical restraint.

(2) Obtained by force, fraud, or coercion, including by threat of serious harm to, or physical restraint against, any person by means of the abuse or threatened abuse of law or the legal process imposed on the basis of a protected characteristic.

(3) Not offered or provided voluntarily by the worker.

(4) Produced through oppressive child labor.

(b) " Electric vehicle " means any battery electric vehicle, fuel cell electric vehicle, or plug-in hybrid electric vehicle.

(c) “Governmental entity” means a state agency or political subdivision of the state, including but not limited to any county, city, and other subdivisions in the state, or any school, college, university, administration, authority, or other enterprise operated by the state or any political subdivision of the state.

(d) "Oppressive child labor” means a condition of employment under which any person under the age of fourteen years is employed in an occupation hazardous for the employment of children, such as manufacturing or mining.

(e) “Protected characteristic” means any characteristic protected by RSA 354-B.

II. No governmental entity shall enter into a contract for the procurement of electric vehicles, or any component of an electric vehicle, unless the governmental entity is provided a sworn certification from the manufacturer that:

(a) Consents to personal jurisdiction by the state over the manufacturer; and

(b) Certifies that no entity involved in the production of the electric vehicle or component for sale, including the production of any constituent part, or the mining or other sourcing of any materials, used forced labor or oppressive child labor in its activities.

III. This section applies to both domestic and international forced labor.

2 Effective Date. This act shall take effect 60 days after its passage.

LBA
24-2184
12/10/23

HB 1580-FN- FISCAL NOTE
AS INTRODUCED

AN ACT relative to the prohibition of government procurement of electric vehicles containing components created through the use of forced labor.

FISCAL IMPACT: [X] State [X] County [X] Local [ ] None

Estimated State Impact - Increase / (Decrease)				
	FY 2024	**FY 2025**	**FY 2026**	**FY 2027**
Revenue	$0	$0	$0	$0
Revenue Fund(s)	None			
Expenditures	$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Funding Source(s)	General Fund and Highway Fund Various Agency Funds			
Appropriations	$0	$0	$0	$0
Funding Source(s)	None			

- Does this bill provide sufficient funding to cover estimated expenditures? [X] N/A
- Does this bill authorize new positions to implement this bill? [X] N/A

Estimated Political Subdivision Impact - Increase / (Decrease)				
	FY 2024	**FY 2025**	**FY 2026**	**FY 2027**
County Revenue	$0	$0	$0	$0
County Expenditures	$0	Indeterminable	Indeterminable	Indeterminable
Local Revenue	$0	$0	$0	$0
Local Expenditures	$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase

METHODOLOGY:

This bill prohibits government procurement contracts for electric vehicles made through forced labor and prohibits entering into a contract to procure electric vehicles or any component of the electric vehicle, unless the governmental entity is provided a sworn certification from the manufacture that consents to personal jurisdiction by the State over the manufacturer and certifies that no entity involved in the production of the electric vehicle or component for sale including the production of any constituent part, or the mining or other sourcing of any material used forced labor or oppressive child labor in its activities.

The Department of Administrative Services states they anticipates a rise in State spending due to the bill's new manufacturer certification requirement. However, the exact fiscal impact on State, county, and local expenditures remains uncertain as the Department lacks projections regarding the volume of electric vehicles or components agencies might request. Nonetheless, the requirement is likely to increase expenditures across these government levels due to increased staff time required for notifying vendors and ensuring compliance. Additionally, the legislation might inflate expenses by disqualifying specific vendors, limiting procurement options beyond considerations of functionality or pricing.

The Department of Transportation states this bill prevents the State from purchasing electric vehicles with components produced using forced labor. This could have an uncertain fiscal impact on the Department of Transportation, as the Department lacks information about the origin of electric vehicle components and faces challenges due to inadequate reporting standards and enforcement in various foreign countries.

The New Hampshire Municipal Association states bill holds significant fiscal implications for municipalities by effectively prohibiting their procurement of electric vehicles. The first provision necessitates municipalities to seek consent to personal jurisdiction to purchase electric vehicles, likely leading to limited options as major manufacturers might opt against doing business due to legal counsel advising against granting such consent. This restriction could prompt a reduction in available vehicle choices, potentially increasing costs for municipalities as they'd be constrained to a smaller pool of acceptable vehicles. Additionally, given that forced and potentially child labor are involved in the construction of all vehicles, regardless of propulsion system, it becomes impossible for municipalities to entirely avoid purchasing vehicles made with forced labor. This limitation on vehicle purchases based on construction practices further limits municipal choices, subsequently impacting costs as the available pool diminishes.

The New Hampshire Association of Counties states they are unable to determine the increase cost of this bill as they have no way to determine what labor forced was used on each component of an electric vehicle.

The following agencies do not anticipate a fiscal impact from this bill: Community College System of New Hampshire and the University System of New Hampshire

AGENCIES CONTACTED:

Department of Administrative Service, University System of New Hampshire, Community College System of New Hampshire, New Hampshire Municipal Association, and New Hampshire Association of Counties