

State of Arkansas
94th General Assembly
Regular Session, 2023

A Bill

HOUSE BILL 1845

By: Representative Wardlaw

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING ENVIRONMENTAL,
SOCIAL JUSTICE, OR GOVERNANCE SCORES; TO CLARIFY THE
SOURCES OF INFORMATION USED IN REGULATING
ENVIRONMENTAL, SOCIAL JUSTICE, OR GOVERNANCE SCORES;
AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE LAW CONCERNING
ENVIRONMENTAL, SOCIAL JUSTICE, OR
GOVERNANCE SCORES; AND TO CLARIFY THE
SOURCES OF INFORMATION USED IN REGULATING
ENVIRONMENTAL, SOCIAL JUSTICE, OR
GOVERNANCE SCORES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 25-1-1005(a) and (b), as enacted by Acts 2023, No. 411, and concerning the sources of information used in regulating environmental, social justice, or governance scores, is amended to read as follows:

(a) In determining whether or not to include a financial services provider on ~~the list under § 25-1-1002, the Treasurer of State, at the direction of the Attorney General,~~ a list under § 25-1-1006, the ESG Oversight Committee shall consider and may rely upon the following information:

(1) A financial services provider's certification that it is not engaged in discrimination against a business that provides services or



products to the energy, fossil fuel, firearms, or ammunition industries, and has not discriminated without a reasonable business purpose against a business based on the use of environmental, social justice, or governance-related factors;

(2) Statements or information made publicly available by the financial services provider's governing body, an executive director of a financial services provider, or any other officer or employee of the financial services provider with the authority to issue policy statements on behalf of the financial services provider; and

(3) Information published by a state or federal government entity.

(b) In determining whether or not to include a financial services provider on ~~the list under § 25-1-1002, the Treasurer of State, at the direction of the Attorney General,~~ a list under § 25-1-1006, the ESG Oversight Committee may consider various factors including the following but shall not make a determination based solely on the following:

(1) Statements or complaints by an energy, fossil fuel, firearms, or ammunition company; or

(2) Media reports of any investment adviser or financial services provider's boycott of energy, fossil fuel, firearms, or ammunition companies.

SECTION 2. Arkansas Code § 25-1-1007, as enacted by Acts 2023, No. 411, is amended to read as follows:

25-1-1007. Exemption from divestment for certain investments.

If an investment is subject to divestment under this subchapter but is locked into a maturity date and an early divestment would result in a financial penalty and cause a negative financial impact to the state, then the investment is exempt from divestiture under this subchapter in order to prevent financial harm to the state and ensure that the fiduciary duty for the ~~Treasurer of State~~ state is met.

APPROVED: 4/12/23