

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
95th General Assembly
Regular Session, 2025

A Bill

SENATE BILL 409

By: Senators B. Johnson, Hill

By: Representatives Torres, Achor, Andrews, Barker, Beaty Jr., Beck, Bentley, S. Berry, Breaux, Brooks, K. Brown, M. Brown, N. Burkes, R. Burkes, Joey Carr, John Carr, Cavanaugh, Childress, C. Cooper, Cozart, Crawford, Eaton, Evans, Furman, Gazaway, Gramlich, Hall, Hawk, Hollowell, L. Johnson, Long, Lundstrum, Lynch, Maddox, McAlindon, McClure, M. McElroy, McGrew, B. McKenzie, McNair, Milligan, J. Moore, Nazarenko, Painter, Pearce, Perry, Pilkington, Puryear, Ray, R. Scott Richardson, Richmond, Rose, Rye, Schulz, M. Shepherd, Steimel, Tosh, Underwood, Unger, Vaught, Walker, Wing, Wooten

For An Act To Be Entitled

AN ACT TO PROHIBIT DISCRIMINATION OF AGRICULTURAL PRODUCERS BY FINANCIAL SERVICES PROVIDERS; TO AMEND THE LAW CONCERNING ENVIRONMENTAL, SOCIAL JUSTICE, OR GOVERNANCE SCORES OR METRICS; TO ESTABLISH THE FARMER PROTECTION ACT; AND FOR OTHER PURPOSES.

Subtitle

TO PROHIBIT DISCRIMINATION OF AGRICULTURAL PRODUCERS BY FINANCIAL SERVICES PROVIDERS; AND TO ESTABLISH THE FARMER PROTECTION ACT.

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

SECTION 1. Arkansas Code § 25-1-1001(4), concerning the definition of "discriminate" used for environmental, social justice, or governance scores or metrics, is amended to read as follows:

(4)(A) "Discriminate" means a company's:

(i) Refusal to engage in the trade of any goods or services with an entity based solely on its status as an energy, fossil fuel, firearms, ~~or~~ ammunition industry entity, or agricultural producer; or



(ii) Termination of an existing business relationship with an entity based solely on the entity's status as an energy, fossil fuel, firearms, ~~or~~ ammunition industry entity, or agricultural producer.

(B) "Discriminate" does not include actions by an investment adviser according to the investment-related guidelines, policies, or preferences of ~~its~~ the investment adviser's clients;

SECTION 2. Arkansas Code § 25-1-1001, concerning definitions used for environmental, social justice, or governance scores or metrics, is amended to add an additional subdivision to read as follows:

(14)(A) "Agricultural producer" means a natural person or company engaged in the production of goods derived from plants or animals.

(B) "Agricultural producer" includes without limitation:

(i) The growing of crops;

(ii) Animal husbandry; and

(iii) The production of livestock or dairy products.

SECTION 3. Arkansas Code § 25-1-1002 is amended to read as follows:
25-1-1002. List of financial services providers.

(a) The Treasurer of State shall maintain a list of financial services providers as determined by the ESG Oversight Committee under § 25-1-1006 on the Treasurer of State's website.

(b) The Treasurer of State shall post the list of financial services providers that discriminate against energy companies, ~~or~~ firearms entities, or agricultural producers or otherwise refuse to deal based on environmental, social justice, and other governance-related factors on the Treasurer of State's website.

(c)(1) Forty-five (45) days before including a financial services provider on a list under § 25-1-1006, the ESG Oversight Committee shall send a written notice to the financial services provider.

(2) The written notice under subdivision (c)(1) of this section shall include the following information:

(A) A determination by the ESG Oversight Committee under § 25-1-1006 that the financial services provider has discriminated against energy companies, ~~or~~ firearms entities, or agricultural producers or

otherwise refused to deal based on environmental, social justice, and other governance-related factors;

(B) Identification of the evidence of discrimination relied on by the ESG Oversight Committee, in making the determination;

(C) Placement of the financial services provider on a list in forty-five (45) days unless, within thirty (30) days following the receipt of the written notice, the financial services provider demonstrates that it is not discriminating against energy companies, ~~or~~ firearms entities, or agricultural producers or otherwise refusing to deal based on environmental, social justice, and other governance-related factors; and

(D) Publication of the list will be on the Treasurer of State's website.

(d)(1) If the ESG Oversight Committee provides written notice to a financial services provider under subdivision (c)(1) of this section based on information from an energy, fossil fuel, firearms, ~~or~~ ammunition company, or agricultural producer, then the energy, fossil fuel, firearms, ~~or~~ ammunition company, or agricultural producer shall be required to consent to the disclosure of any financial information held by the financial services provider of the energy, fossil fuel, firearms, ~~or~~ ammunition company, or agricultural producer to the ESG Oversight Committee, whether or not the information is confidential or proprietary, to allow the financial services provider to demonstrate that the financial services provider is not discriminating against energy, fossil fuel, firearms, ~~or~~ ammunition companies, or agricultural producers or otherwise refusing to deal with energy, fossil fuel, firearms, ~~or~~ ammunition companies, or agricultural producers based on environmental, social justice, and other governance-related factors.

(2) If the energy, fossil fuel, firearms, ~~or~~ ammunition company, or agricultural producer refuses to consent to the disclosure of financial information under subdivision (d)(1) of this section, then the:

(A) ESG Oversight Committee shall withdraw the written notice to the financial services provider under subdivision (c)(1) of this section; and

(B) Financial services provider shall not be on the list under subsection (a) of this section.