

1 State of Arkansas
2 94th General Assembly
3 Regular Session, 2023
4

A Bill

HOUSE BILL 1845

5 By: Representative Wardlaw
6

For An Act To Be Entitled

8 AN ACT TO AMEND THE LAW CONCERNING ENVIRONMENTAL,
9 SOCIAL JUSTICE, OR GOVERNANCE SCORES; TO CLARIFY THE
10 SOURCES OF INFORMATION USED IN REGULATING
11 ENVIRONMENTAL, SOCIAL JUSTICE, OR GOVERNANCE SCORES;
12 AND FOR OTHER PURPOSES.
13

Subtitle

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15 TO AMEND THE LAW CONCERNING
16 ENVIRONMENTAL, SOCIAL JUSTICE, OR
17 GOVERNANCE SCORES; AND TO CLARIFY THE
18 SOURCES OF INFORMATION USED IN REGULATING
19 ENVIRONMENTAL, SOCIAL JUSTICE, OR
20 GOVERNANCE SCORES.
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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26 SECTION 1. Arkansas Code § 25-1-1005(a) and (b), as enacted by Acts
27 2023, No. 411, and concerning the sources of information used in regulating
28 environmental, social justice, or governance scores, is amended to read as
29 follows:

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

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



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

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

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

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

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

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

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 23 SECTION 2. Arkansas Code § 25-1-1007, as enacted by Acts 2023, No.
 24 411, is amended to read as follows:

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

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

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 34 **APPROVED: 4/12/23**