

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 HOUSE BILL 1947

By: McCall

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5  
6 AS INTRODUCED

7 An Act relating to state government; creating the  
8 Eliminate Economic Boycotts Act; declaring  
9 legislative intent; defining terms; requiring written  
10 verification in certain contracts; prohibiting  
11 interference in contracts; providing for enforcement;  
12 providing for noncodification; providing for  
13 codification; and providing an effective date.

14 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

15 SECTION 1. NEW LAW A new section of law not to be  
16 codified in the Oklahoma Statutes reads as follows:

17 A. This act shall be known and may be cited as the "Eliminate  
18 Economic Boycotts Act".

19 B. The State of Oklahoma finds that:

20 1. Numerous essential American industries, including fossil  
21 fuel production, agriculture, timber production, and firearms, are  
22 being targeted for boycotting, divesting, and sanctioning by large  
23 corporations and public and private institutional investors;  
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1           2. The goal of these colluding parties is to starve targeted  
2 legal industries of capital, restrict their productivity, and  
3 redirect that capital to favored industries;

4           3. These parties are working in concert with many state and  
5 federal lawmakers and regulators, as evidenced most recently by new  
6 climate disclosure rules from the United States Securities and  
7 Exchange Commission;

8           4. Restricting the supply of energy and other essential  
9 commodities, without effective substitutes for those commodities,  
10 only serves to raise prices on consumers, profoundly impacting the  
11 poorest among us;

12           5. Denying financing to American companies, who are among the  
13 most socially and environmentally responsible companies in the  
14 world, only serves to support hostile nations and less responsible  
15 producers;

16           6. Banks and insurance companies are increasingly denying  
17 financing to creditworthy companies to market their environmental  
18 credentials to the detriment of consumers, shareholders and society;

19           7. Institutional investors are divesting from entire industries  
20 and pressuring corporations to commit to environmental goals, such  
21 as reducing greenhouse gas emissions to zero (0) by 2050, to burnish  
22 their environmental credentials or promote their own environmental,  
23 social, and governance funds at the expense of investor returns;

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1 8. Large investment firms, through their proxy votes on  
2 shareholder resolutions and board elections, are colluding to force  
3 companies to direct money, time, and attention away from their core  
4 responsibility of increasing shareholder returns, driving capital  
5 allocation decisions and political change outside the democratic  
6 process;

7 9. Corporations are boycotting and sanctioning essential legal  
8 industries, such as fossil fuel and agriculture producers, by  
9 denying them capital, refusing to provide them with products or  
10 services, or imposing undue burdens on them;

11 10. The collusion of corporations, and institutions to boycott,  
12 divest from, or sanction any industry may violate existing antitrust  
13 and fiduciary duty laws and harms consumers, shareholders, and this  
14 state; and

15 11. States, when financially prudent, should avoid doing  
16 business with companies that engage in such potentially illegal  
17 conduct, and threaten harm to this state, its businesses, and  
18 citizens.

19 SECTION 2. NEW LAW A new section of law to be codified  
20 in the Oklahoma Statutes as Section 583 of Title 74, unless there is  
21 created a duplication in numbering, reads as follows:

22 A. As used in this section:

23 1. "Company" means a for-profit organization, association,  
24 corporation, partnership, joint venture, limited partnership,

1 limited liability partnership, or limited liability company,  
2 including a wholly owned subsidiary, majority-owned subsidiary,  
3 parent company, or affiliate of those entities or business  
4 associations. For the purposes of this section, "company" does not  
5 include sole proprietorships.

6 2. "Governmental entity" means a state agency or political  
7 subdivision of this state.

8 3. "Ordinary business purpose" does not include any purpose to  
9 further social, political, or ideological interests. A company may  
10 reasonably be determined to have taken an action, or considered a  
11 factor, with a purpose to further social, political, or ideological  
12 interests based upon evidence indicating such a purpose, including,  
13 but not limited to:

14 a. branding, advertising, statements, explanations,  
15 reports, letters to clients, communications with  
16 portfolio companies, statements of principles, or  
17 commitments, or

18 b. participation in, affiliation with, or status as a  
19 signatory to, any coalition, initiative, joint  
20 statement of principles, or agreement.

21 4. "Economic boycott" means, without an ordinary business  
22 purpose, refusing to deal with, terminating business activities  
23 with, or otherwise taking any commercial action that is intended to  
24 penalize, inflict economic harm on, limit commercial relations with,

1 or change or limit the activities of a company because the company,  
2 without violating controlling federal or state law:

- 3 a. Engages in the exploration, production, utilization,  
4 transportation, sale, or manufacturing of, fossil  
5 fuel-based energy, timber, mining, or agriculture;
- 6 b. Engages in, facilitates, or supports the manufacture,  
7 import, distribution, marketing or advertising, sale,  
8 or lawful use of firearms, ammunition or components,  
9 parts and accessories of firearms or ammunition;
- 10 c. Does not meet, is not expected to meet, or does not  
11 commit to meet environmental standards or disclosure  
12 criteria, in particular to eliminate, reduce, offset,  
13 or disclose greenhouse gas emissions;
- 14 d. Does not meet, is not expected to meet, or does not  
15 commit to meet corporate board, or employment,  
16 composition, compensation, or disclosure criteria that  
17 incorporates characteristics protected in this state;
- 18 e. Does not facilitate, is not expected to facilitate, or  
19 does not commit to facilitate access to abortion, sex  
20 or gender change, or transgender surgery; or
- 21 f. Does business with a company described by  
22 subparagraphs a through e of this paragraph.

23 B. 1. This section applies only to a contract that:  
24

- 1 a. is between a governmental entity and a company with 10  
2 or more full-time employees; and
- 3 b. will pay a company One Hundred Thousand Dollars  
4 (\$100,000.00) or more over the term of the contract  
5 that is to be paid wholly or partly from public funds  
6 of the governmental entity; provided, however, the  
7 provisions of this paragraph shall apply separately to  
8 all companies in a multiple-party contract.

9 2. Except as provided by paragraph 3 of this subsection, a  
10 governmental entity may not enter into a contract with a company for  
11 goods or services unless the contract contains a written  
12 verification from the company that it:

- 13 a. does not engage in economic boycotts; and  
14 b. will not engage in economic boycotts during the term  
15 of the contract.

16 3. Paragraph 2 of this subsection shall not apply to a  
17 governmental entity that determines the requirements of paragraph 2  
18 of this subsection:

- 19 a. are inconsistent with the governmental entity's  
20 constitutional or statutory duties related to the  
21 issuance, incurrence, or management of debt  
22 obligations or the deposit, custody, management,  
23 borrowing, or investment of funds; or  
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1           b.    prevent the governmental entity from obtaining the  
2                   supplies or services to be provided in an economically  
3                   practicable manner.

4           C.  1.  No party, including any entity organized under federal  
5 or state law, may take action to penalize or threaten to penalize  
6 any financial institution for compliance with this section.

7           2.  Any party taking such action shall have caused harm to this  
8 state, including by interfering with the state's sovereign interests  
9 in administering its programs and with the state's commercial  
10 relationships with its financial institutions.

11          D.  1.  This article, or any contract subject to this article,  
12 may be enforced by the Attorney General.

13          2.  If the Attorney General has reasonable cause to believe  
14 that a person has engaged in, is engaging in, or is about to engage  
15 in, a violation of this article, he or she may:

16           a.    require such person to file on such forms as he or she  
17                   prescribes a statement or report in writing, under  
18                   oath, as to all the facts and circumstances concerning  
19                   the violation, and such other data and information as  
20                   he or she may deem necessary;

21           b.    examine under oath any person in connection with the  
22                   violation;

23           c.    examine any record, book, document, account or paper  
24                   as he or she may deem necessary; or

1           d.   pursuant to an order of the court, impound any record,  
2           book, document, account, paper, or sample or material  
3           relating to such practice and retain the same in his  
4           or her possession until the completion of all  
5           proceedings undertaken under this article or in the  
6           courts.

7           3.   In addition to any other remedies available at law or  
8 equity, a company that enters into a contract with a government  
9 entity containing any verifications required by Section 2 and  
10 engages in any economic boycott during the term of the contract  
11 shall be obligated to pay damages to the state in an amount equal to  
12 three times all monies paid to the company under the contract.

13           SECTION 3.   This act shall become effective November 1, 2023.

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15           59-1-6235           LRB           01/11/23  
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