

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1182

(Reference to Senate engrossed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Title 6, chapter 2, article 1, Arizona Revised Statutes,
3 is amended by adding section 6-194, to read:

4 6-194. Certain affiliations; discrimination prohibited;
5 statewide concern

6 A. A FINANCIAL INSTITUTION DOING BUSINESS IN THIS STATE, EITHER
7 DIRECTLY OR THROUGH A CONTRACTOR, MAY NOT DISCRIMINATE AGAINST ANY PERSON
8 BASED ON EITHER:

9 1. A POLITICAL AFFILIATION.

10 2. OTHER SOCIAL CREDIT, ENVIRONMENTAL, SOCIAL, GOVERNANCE OR SIMILAR
11 VALUES-BASED OR IMPACT CRITERIA.

12 B. NOTWITHSTANDING ANY OTHER LAW, A FINANCIAL INSTITUTION MAY OFFER
13 INVESTMENTS, PRODUCTS OR SERVICES TO A POTENTIAL CUSTOMER OR INVESTOR THAT
14 INCLUDE SUBJECTIVE STANDARDS IF THE STANDARDS ARE FULLY DISCLOSED AND
15 EXPLAINED TO THE POTENTIAL CUSTOMER OR INVESTOR BEFORE ENTERING INTO A
16 CONTRACT FOR THE INVESTMENTS, PRODUCT OR SERVICES.

17 C. THIS SECTION DOES NOT INTERFERE WITH A FINANCIAL INSTITUTION'S
18 ABILITY TO DISCONTINUE OR REFUSE TO CONDUCT BUSINESS WITH A PERSON WHEN THE
19 ACTION IS NECESSARY FOR THE PHYSICAL SAFETY OF THE FINANCIAL INSTITUTION'S
20 EMPLOYEES.

21 D. THE LEGISLATURE DECLARES THAT THE PRACTICE OF DISCRIMINATION
22 AGAINST PERSONS OR ENTITIES IN THIS STATE BY USING THEIR SOCIAL CREDIT OR
23 ENVIRONMENTAL, SOCIAL JUSTICE AND GOVERNMENTAL SCORE IS A MATTER OF

1 STATEWIDE CONCERN, THAT DISCRIMINATION BASED ON SUCH SCORES NOT ONLY
2 THREATENS THE RIGHTS AND PROPER PRIVILEGES OF THIS STATE'S INHABITANTS BUT
3 MENACES THE INSTITUTIONS AND FOUNDATION OF A FREE DEMOCRATIC STATE AND
4 THREATENS THE PEACE, ORDER, HEALTH, SAFETY AND GENERAL WELFARE OF THIS
5 STATE AND ITS INHABITANTS.

6 Sec. 2. Title 35, chapter 2, article 2, Arizona Revised Statutes, is
7 amended by adding section 35-320, to read:

8 35-320. State investments; investment managers; list; posting;
9 voting shares

10 A. THE STATE TREASURER SHALL POST A CURRENT LIST OF STATE
11 INVESTMENTS BY NAME ON THE STATE TREASURER'S PUBLICLY ACCESSIBLE WEBSITE.
12 THE STATE TREASURER SHALL UPDATE ANY CHANGES TO THE LIST WITHIN A
13 REASONABLE TIME.

14 B. ANY INVESTMENT MANAGER SHALL ATTEST IN WRITING ON A FORM
15 PRESCRIBED BY THE STATE TREASURER THAT THE INVESTMENT MANAGER DOES NOT HOLD
16 ANY ENVIRONMENTAL, SOCIAL OR GOVERNANCE-RELATED INVESTMENTS. THE STATE
17 TREASURER SHALL POST A CURRENT LIST OF INVESTMENT MANAGERS OF STATE
18 INVESTMENTS AND SHALL CERTIFY THAT THE INVESTMENT MANAGERS DO NOT HOLD
19 INVESTMENTS IN ENVIRONMENTAL, SOCIAL OR GOVERNANCE-RELATED PRODUCTS. THE
20 STATE TREASURER SHALL POST THE CURRENT LIST OF INVESTMENT MANAGERS ON THE
21 STATE TREASURER'S PUBLICLY ACCESSIBLE WEBSITE AND SHALL UPDATE ANY CHANGES
22 TO THE LIST WITHIN A REASONABLE TIME.

23 C. ALL STATE INVESTMENTS SHALL BE MADE IN THE SOLE INTEREST OF THE
24 BENEFICIARY TAXPAYER. THE STATE TREASURER'S EVALUATION OF AN INVESTMENT
25 MUST BE BASED ON PECUNIARY FACTORS, AND THE STATE TREASURER MAY NOT TAKE
26 UNNECESSARY INVESTMENT RISKS OR PROMOTE NONPECUNIARY BENEFITS OR OTHER
27 NONPECUNIARY SOCIAL GOALS.

28 D. UNLESS EMPLOYED BY AND SPECIFICALLY AUTHORIZED BY THE STATE
29 TREASURER, A PERSON OR ENTITY MAY NOT VOTE THE SHARES, OR OTHER INDICIA OF
30 OWNERSHIP, OF ANY COMPANY, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER

- 1 ENTITY PURCHASED, DIRECTLY OR INDIRECTLY, WITH FUNDS FROM A PLAN OR GROUP
- 2 OF PLANS."
- 3 Amend title to conform

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