

SENATE BILL NO. 2291

Introduced by

Senator Bell

1 A BILL for an Act to create and enact a new section to chapter 21-10, a new section to chapter
2 54-44, and a new section to chapter 54-60 of the North Dakota Century Code, relating to social
3 investments made by the state investment board and the boycott of energy or commodities
4 companies; to provide for a department of commerce study of the implications of complete
5 divestment of companies that boycott energy or commodities; and to provide for reports to
6 legislative management.

7 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

8 **SECTION 1.** A new section to chapter 21-10 of the North Dakota Century Code is created
9 and enacted as follows:

10 **Social investment - Prohibition.**

- 11 1. As used in this section, "social investment" means the investment, divestment, or
12 prohibition of investment of state funds for a purpose other than maximum risk-
13 adjusted investment return, including an ideological, environmental, political, or
14 religious purpose, or for the purpose of state, local, or regional economic
15 development.
16 2. The state investment board may not invest state funds for the purpose of social
17 investment.

18 **SECTION 2.** A new section to chapter 54-44 of the North Dakota Century Code is created
19 and enacted as follows:

20 **State participation - Environmental social governance.**

- 21 1. As used in this section:
22 a. "Environmental" means criteria used to consider performance as a steward of the
23 environment or the beneficial use of natural resources.

1 b. "Environmental social governance" means a set of nonspecific, quantifiable, and
2 nonquantifiable criteria with attributing factors used for making determinations,
3 decisions, or investments.

4 c. "Governance" means criteria that deals with leadership, audits, internal controls,
5 and shareholder rights, or any other determinations or de facto makeup of a
6 company or organization.

7 d. "Social" means criteria used to consider issues relating to the management of
8 relationships with employees, suppliers, customers, and communities and other
9 social interactions within society, including ideological, political, or religious
10 purposes.

11 2. The office of management and budget shall encourage state agencies to avoid
12 contracting with companies that support environmental social governance.

13 **SECTION 3.** A new section to chapter 54-60 of the North Dakota Century Code is created
14 and enacted as follows:

15 **Boycott of energy or commodities - Report to legislative management.**

16 1. As used in this section, "boycott energy or commodities" means without any ordinary
17 business purpose, refusing to deal with, terminating business activities with, or
18 otherwise taking any action intended to penalize, inflict economic harm on, or limit
19 commercial relations with a company because the company invests in or assists in the
20 production or manufacturing of natural gas, oil, coal, petrochemicals, or agriculture
21 commodities or a company that does business with a company that refuses to deal
22 with, terminates business activities with, or otherwise takes any action intended to
23 penalize, inflict economic harm on, or limit commercial relations with a company
24 because the company invests in or assists in the production or manufacturing of
25 natural gas, oil, coal, petrochemicals, or agriculture commodities.

26 2. Before August first of each even-numbered year, the department of commerce shall
27 provide a report to the legislative management of all the companies in the state which
28 boycott energy or commodities, including a list of all investments of state funds in
29 companies with direct or indirect holdings in companies that boycott energy or
30 commodities under chapter 21-10.

1 **SECTION 4. DEPARTMENT OF COMMERCE STUDY OF DIVESTMENT OF COMPANIES**
2 **THAT BOYCOTT ENERGY OR COMMODITIES - REPORT TO LEGISLATIVE**
3 **MANAGEMENT.** During the 2021-22 interim, the department of commerce shall study the
4 implications of a complete divestment of state funds from companies that boycott energy or
5 commodities. The department of commerce shall report its findings and recommendations to the
6 legislative management by June 1, 2022.