

PROPOSED

SENATE AMENDMENTS TO H.B. 2637

(Reference to House 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, PRODUCTS 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.

1 D. THE LEGISLATURE DECLARES THAT THE PRACTICE OF DISCRIMINATION  
2 AGAINST PERSONS OR ENTITIES IN THIS STATE BY USING THEIR SOCIAL CREDIT OR  
3 ENVIRONMENTAL, SOCIAL JUSTICE AND GOVERNMENTAL SCORE IS A MATTER OF  
4 STATEWIDE CONCERN AND THAT DISCRIMINATION BASED ON SUCH SCORES NOT ONLY  
5 THREATENS THE RIGHTS AND PROPER PRIVILEGES OF THIS STATE'S INHABITANTS BUT  
6 MENACES THE INSTITUTIONS AND FOUNDATION OF A FREE DEMOCRATIC STATE AND  
7 THREATENS THE PEACE, ORDER, HEALTH, SAFETY AND GENERAL WELFARE OF THIS  
8 STATE AND ITS INHABITANTS.

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

11 35-320. State investments; investment managers; list; posting;  
12 voting shares

13 A. THE STATE TREASURER SHALL POST A CURRENT LIST OF STATE  
14 INVESTMENTS BY NAME ON THE STATE TREASURER'S PUBLICLY ACCESSIBLE WEBSITE.  
15 THE STATE TREASURER SHALL UPDATE ANY CHANGES TO THE LIST WITHIN A  
16 REASONABLE PERIOD OF TIME.

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

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

31 D. UNLESS EMPLOYED BY AND SPECIFICALLY AUTHORIZED BY THE STATE  
32 TREASURER, A PERSON OR ENTITY MAY NOT VOTE THE SHARES OR OTHER INDICIA OF

1 OWNERSHIP OF ANY COMPANY, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER  
2 ENTITY PURCHASED, DIRECTLY OR INDIRECTLY, WITH FUNDS FROM A PLAN OR GROUP  
3 OF PLANS."

4 Amend title to conform

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