



Debevoise  
& Plimpton

# State-Level ESG Investment Developments Tracker

*Last updated on January 10, 2023.*

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Alabama Arkansas, Indiana, Kentucky, Louisiana, Mississippi, Montana, Nebraska, Ohio, South Carolina, South Dakota, Texas and Utah	November 2022: Protest to Vanguard Group Inc.'s EC19-57 application	<p>13 state AGs collectively protested Vanguard Group Inc.'s application to the Federal Energy Regulatory Commission for blanket authorization to buy shares of U.S. utilities under Section 203 of the Federal Power Act.</p> <p>The AGs, which largely represent states whose economies are significantly dependent on fossil fuels, primarily argued that Vanguard may be breaching its Section 203 requirements by participating in the Ceres Investor Network and a Net Zero Managers initiative (of which it is no longer a part) and that such activities will harm consumers.</p>	<a href="#">S&amp;P Global Article</a>
California, Connecticut, Delaware, District of Columbia, Illinois, Maine, Maryland, Massachusetts, Minnesota, Nevada, New Jersey, New Mexico, New York, Oregon, Rhode Island, Washington, Wisconsin	November 2022: Letter to Senate Committee on Banking, Housing, and Urban Affairs and the House Committee on Financial Services	<p>17 state AGs signed a letter from the D.C. Office of the Attorney General to the Chairpersons and Ranking Members of the Senate Committee on Banking, Housing, and Urban Affairs and the House Committee on Financial Services. The AGs expressed that the fund managers' use of ESG factors in assessing the risks and rewards of investments is like their use of other material factors that inform investment decision-making.</p> <p>The letter also stated that ESG factors are "consistent with legal responsibilities to evaluate potential risk and reward in assessing the merits of an investment" and can help managers provide the best return by mitigating risks facing their investments. Finally, the letter argued that fund managers' commitment to the Net Zero Managers Alliance is not, without more, an antitrust violation.</p>	<a href="#">Office of the Attorney General for D.C. Letter</a>
Missouri, Virginia, Arizona, Arkansas, Indiana, Kansas, Kentucky, Louisiana, Mississippi, Montana, Nebraska, Oklahoma, Tennessee, Texas and five others	October 2022: Civil investigations into ESG practices of big banks	<p>19 state AGs launched civil investigations into whether the ESG practices of some of the nation's largest banks are harmful to the energy industry. The banks under investigation include Bank of America, Citigroup, Goldman Sachs, JP Morgan Chase, Morgan Stanley and Wells Fargo.</p> <p>The investigations target activity related to each bank's membership in the United Nations Net-Zero Banking Alliance ("NZBA"), a UN-convened group of over 100 banks that are "committed to aligning their lending and investment portfolios with net-zero emissions by 2050."</p> <p>(Five of the states involved in the investigation cannot be named due to state laws or regulations regarding confidentiality.)</p>	<a href="#">Bloomberg Article</a> <a href="#">Virginia Mercury Article</a>
Alabama, Arizona, Georgia, Indiana,	September 2022: Letter to US Comptroller of the Currency	17 state AGs signed a letter from the Utah Office of the Attorney General to incoming U.S. Comptroller of the Currency Michael J. Hsu regarding the appointment of Dr. Yue (Nina) Chen as the Chief Climate Risk Officer at	<a href="#">Letter</a>

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Kansas, Kentucky, Louisiana, Mississippi, Montana, Nebraska, Ohio, Oklahoma, South Carolina, Texas, Utah, Virginia, West Virginia		<p>the US Office of the Comptroller of the Currency (the "OCC").</p> <p>The letter condemned the appointment of Dr. Chen and the OCC's focus on "climate risk" in the financial system, calling it a politicization of financial regulation "by using financial agencies to promote radical environmental policy that restricts energy production and punishes small businesses and consumers."</p> <p>The letter further warned that the states will investigate, litigate and lobby against any report from banks in their states that federal regulators are pressuring them to cut off services based on the Biden Administration's political agenda.</p>	
California, Colorado, Delaware, Illinois, Maine, Massachusetts, Nevada, New Mexico, New York, Oregon, Rhode Island, Vermont, Washington, Wisconsin	September 2022: Public Letter	<p>The treasurers of 13 states and of New York City published a letter opposing recent efforts to ban the use of nonpecuniary considerations in state pension fund management. The letter was published on the website of a 501(c)3 organization called For the Long Term and is considered a response to the anti-boycott blacklisting of some financial firms.</p> <p>The open letter stated that states engaging in efforts to blacklist companies accused of boycotting fossil fuel producers are thinking in the short term, asserting that "disclosure, transparency, and accountability make companies more resilient by sharpening how they manage, ensuring that they are appropriately planning for the future."</p>	<a href="#">Letter</a>
California, Delaware, Illinois, Maryland, Minnesota, New Jersey, New York	August 2022: Letter to SEC Secretary	<p>7 state AGs sent a letter to SEC Secretary Vanessa Countryman expressing support for proposed SEC rules governing disclosures for ESG investment products, particularly in support of the proposed rule titled "<i>Enhanced Disclosures by Certain Investment Advisers and Investment Companies about Environmental, Social and Governance Investment Practices</i>," Release No. IA-6034.</p> <p>The letter supported the SEC's moves toward "consistent, comparable, and reliable information" on ESG-based investment products and strategies. It further noted that (1) investment companies play an important role in the investment choices available to U.S. investors, (2) the growing prevalence of ESG investments, lack of disclosure and potential for fraud necessitate enhanced disclosures and (3) the proposed rule is expected to provide numerous benefits and clarifications for investors. The letter concluded by proposing additional clarifications to the proposed rule.</p>	<a href="#">Letter</a>

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Alaska, Arkansas, Idaho, Indiana, Kentucky, Louisiana, Mississippi, Missouri, Montana, South Carolina, Texas, Utah	June 2022: Letter to SEC Secretary	<p>12 state AGs wrote to SEC Secretary Vanessa Countryman expressing opposition to proposed rules standardizing climate-related disclosures for securities.</p> <p>The AGs stated their concern about proposed rule “<i>The Enhancement and Standardization of Climate-Related Disclosures for Investors</i>” 87 Fed. Reg. 21334, File Number S7–10–22. Specifically, the proposed rule was deemed to be burdensome and unnecessary and to “flagrantly exceed the SEC’s delegated role of ensuring capital markets continue to function and that investors are provided timely, accurate, and material information.”</p> <p>The letter further stated the AGs’ belief that the SEC lacks the statutory authority for such a rule; that the rule is too burdensome and does not apply the factors required for SEC rulemaking; that the rule would produce inconsistent, unreliable and irrelevant information for investors; and finally, that the SEC did not properly weigh the costs and benefits of this rule.</p>	<a href="#">Letter</a>
Alabama, Arizona, Arkansas, Idaho, Kentucky, Louisiana, Mississippi, Missouri, Montana, Nebraska, Ohio, Oklahoma, South Carolina, Texas, Utah, West Virginia	August 2022: Letter to BlackRock CEO	<p>19 state AGs sent a letter to BlackRock CEO Laurence Fink asserting that the company’s stated objectives on decarbonization may violate the Sherman Antitrust Act and “multiple state laws,” including laws related to fiduciary duties owed to the firm’s clients.</p> <p>Among other things, the letter criticized BlackRock’s public commitment to the Paris Agreement, worrying that it will “increase energy prices, drive inflation, and weaken the national security of the United States, noting that the agreement was not ratified by the Senate.” The letter also accused the firm of environmental activism in the energy sector, of disregarding its obligation to maximize financial returns in favor of sustainability dialogue and of breaching its fiduciary duties of loyalty and care to its clients.</p>	<a href="#">Letter</a>
Alabama	No recent developments.		
Alaska	May 2022: H.B. 394, died in committee	Required the state to create a blacklist of companies that boycott Taiwan, among other foreign countries, as well as Alaska’s fossil fuel industry. State entities would have been required to divest from such companies.	<a href="#">H.B. 394</a>
	December 2020: Governor’s Announcement	In December 2020, Governor Dunleavy announced plans to introduce legislation requiring state entities to end relationships with financial institutions that refuse to finance oil and gas activities in the Arctic.	<a href="#">Alaska Office of Governor’s Press Release</a>
Arizona	December 2022: Treasury announced it	The state treasury released a statement saying that the Arizona Treasury had reduced its exposure to BlackRock’s money market funds, the only investments the state treasury had with BlackRock, by 97% earlier in	<a href="#">State Treasurer Press Release</a>

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	will continue to divest from BlackRock	the year. The state treasury committed to continuing to divest from BlackRock money market funds, stating that the asset manager has moved "away from its fiduciary duty" as a general asset manager and moved toward a "political action committee."	
	August 2022: Arizona State Treasurer's Office Investment Policy Statement	The Arizona Treasurer's Office released an investment policy statement that said that investments by or on behalf of the treasurer can only consider pecuniary factors. The policy statement considers agreements related to environmental or social goals, corporate government structures and social and environmental goals to be nonpecuniary interests that cannot be considered.	<a href="#">AZ Investment Policy Statement</a>
	November 2021: Arizona AG Announcement	Arizona AG Mark Brnovich announced the ESG investment practices and CA100+ membership of major firms would be investigated. "My office is committed to fair business practices and competition," said Attorney General Mark Brnovich. "We will take action to ensure companies are not operating in the shadows to move a political or woke agenda."	<a href="#">AZ AG Office Press Release</a>
	March 2022: H.B. 2656, failed	The Republican-sponsored bill sought to limit the state treasurer's investment decisions to only pecuniary interests and restrict the treasurer from considering "nonpecuniary benefits or other nonpecuniary social goals." The bill also sought a public list of investment managers that attested that they did not hold investments in ESG-related products.	<a href="#">H.B. 2656</a>
	March 2022: H.B. 2473, failed in Senate	The Republican-backed bill restricted firms from working with local governments in the state if they had restrictive gun policies.	<a href="#">Bloomberg Article</a> <a href="#">H.B. 2473</a>
<b>Arkansas</b>	January 2023: S.B. 41, introduced	Would require the state treasurer to divest public moneys from funds and financial service providers that discriminate against fossil fuel, firearms or ammunition industries or that use ESG factors.	<a href="#">S.B. 41</a> <a href="#">Arkansas Times Article</a>
	March 2022: State Treasurer withdrew funds from BlackRock	The state treasurer withdrew approximately \$125 million from BlackRock money market accounts because of BlackRock's ESG practices. The state treasurer claimed BlackRock was "handpicking companies that aligned with their ESG beliefs and beliefs [the treasurer's office] feel most Arkansans are opposed to" and that BlackRock's ESG practice "directly affects Arkansas's economy."	<a href="#">Arkansas Democrat Gazette Article</a> <a href="#">Financial Times Article</a>
<b>California</b>	June 2022: SB 1173, passed Senate before failing in Assembly	Forbade investment in the 200 largest public fossil fuel companies, as determined by the carbon in their reserves. Required divestment from such companies by July 1, 2030.	<a href="#">SB1173</a>

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Colorado	July 2021: HB21-1303, Global Warming Potential for Public Project Materials ("Buy Clean Colorado"), enacted.	<p>Under this law, public construction projects will have to meet clear environmental criteria for the use of seven common construction materials.</p> <p>The law requires the Office of the State Architect and the Department of Transportation to each establish policies that include the maximum acceptable global warming potential for specific categories of construction materials.</p>	<p><a href="#">Greenbiz Article</a></p> <p><a href="#">HB21-1303</a></p> <p><a href="#">Colo. Rev. Stat. § 24-92-117, et seq.</a></p>
Connecticut	February 2020: Connecticut State Treasurer's Responsible Gun Policy Announced	<p>CT treasurer announced in 2019 a Responsible Gun Policy that went into effect in February 2020 and applies to the Connecticut Retirement Plans and Trust Funds.</p> <p>The policy is a "framework for guiding sound financial decisions and responsible corporate behavior on guns." It prohibits the investment in civilian firearm manufacturing companies, requests banks and financial institutions to disclose their policies on guns if working with the office of the treasurer and weighs a financial institution's gun policy when the office of the treasurer contracts banking and financial services.</p>	<p><a href="#">Connecticut State Treasurer's Press Release</a></p>
Delaware	No recent developments.		
Florida	December 2022: Florida divests from BlackRock	<p>Florida treasury announced it will begin to divest \$2 billion from BlackRock funds, citing BlackRock's consideration of ESG. Florida's chief financial officer said that BlackRock's ESG standards serve to "police" who should and who should not receive capital.</p>	<p><a href="#">Law 360 Article</a></p>
	August 2022: S.B.A. Resolution, in effect	<p>State Board of Administration trustees passed a resolution directing (1) the state to disregard ESG factors in its investment management practices, obligating managers to only weigh "pecuniary factors," and (2) the SBA, when exercising shareholder rights and voting proxies, to act "for the exclusive purpose of providing benefits to participants and beneficiaries and defraying the reasonable expenses of the Florida Retirement System Defined Benefit Pension Plan."</p>	<p><a href="#">FL Governor Press Release</a></p>
	July 2022: Governor Announcement	<p>Florida governor announced ESG-related legislative proposals and regulatory initiatives for the 2023 legislative session, including: (1) Amendment of Florida's Deceptive and Unfair Trade Practices statute to prohibit "discriminatory practices by large financial institutions based on ESG metrics" and (2) Amendment of Investment Policy Statement prohibiting State Board of Administration ("SBA") fund managers from considering ESG factors when investing the state's money and requiring SBA fund managers to only consider maximizing the return on investment on behalf of Florida's retirees.</p>	<p><a href="#">FL Governor Press Release</a></p>

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Georgia	No recent developments.		
Hawaii	February 2021: H.B. 1205/SB801, died in committee	Required a public investment fund to develop and implement socially responsible investment policies and submit an annual report to the legislature disclosing investments in accordance with ESG and socially responsible investment policies.	<a href="#">HB 1205</a>
	December 2021: HB557 HD1/SB488, died in committee	Required the board of trustees of the Employees' Retirement System ("ERS") to reevaluate its existing future investments in coal, oil, natural gas, oil and natural gas services and pipeline companies; to divest from companies that have not invested more in clean renewable energy sources than in fossil fuels or are not set up for favorable long-term investment returns by having clear plans to abandon fossil fuels by 2030; and to submit annual reports to the legislature.  Notably, the investment policy statement of the ERS currently applies Principles of Responsible Investing, which includes consideration of ESG factors.	<a href="#">HB557 HD1 / SB488</a>
Idaho	November 2022: Republican legislators and officials prepare for upcoming session	The Idaho legislature's Joint Interim Committee on Federalism met to discuss legislation that would limit or block the use of ESG factors for contracts and investments using public money.	<a href="#">Big Country News Article</a> <a href="#">Idaho Capital Sun Article</a>
	March 2022: H.B. 737, died in committee.	Prohibited contracts and investment practices involving companies that boycott certain production industries including energy, mining, agriculture and commercial timber.	<a href="#">H.B. 737</a>
	July 2022: S.B. 1405, enacted	Established provisions regarding disfavored state investments.  Prohibited public entities from considering ESG factors if it overrode the prudent investor rule.	<a href="#">S.B. 1405</a> <a href="#">Idaho Code § 67-2345</a>
Illinois	December 2022: H.B. 1293, enacted	Aims to prohibit public money from being invested in assets related to Russia and Belarus for their engagement in the war in Ukraine. The bill prohibits investment of state pension funds and retirement systems from assets with ties to Russia or Belarus and urges the funds to divest from such assets where feasible.	<a href="#">H.B. 1293</a> <a href="#">The State Journal Register Article</a>
	January 2020: PA 101-473, enacted	Illinois Sustainable Investing Act directs state and local government entities managing public funds to integrate sustainability factors, including ESG, into their processes and policies.	<a href="#">IL Treasurer Press Release</a> <a href="#">Illinois Sustainable Investing Act</a>

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Indiana	September 2022: Attorney General Official Opinion	Indiana AG released an official opinion regarding the Indiana Public Retirement System and ESG Investments that concludes that, because state law mandates investing "solely in the interest of the beneficiaries," investing for ESG-related purposes is a violation of fiduciary duties.	<a href="#">AG Official Opinion 2022-3</a>
	January 2022: H.B. 1224; S.B. 397, died in committee	Required the Board of Depositories to maintain a list of financial companies that boycott energy companies and divest from them if they did not cease their boycott. Also forbade the government to contract with companies unless the company verified that it did not participate in such boycotts and would not during the term of the contract.	<a href="#">H.B. 1224/S.B. 397</a>
	January 2022: H.B. 1409; S.B. 397, died in committee	Forbade government to contract with companies unless the company verified that it did not participate in boycotts against a firearm entity or trade association and would not do so during the term of the contract.	<a href="#">H.B. 1409; S.B. 397</a>
	January 2022: SB 170, died in committee	Required the Board of Trustees of the Indiana Public Retirement System to divest from any publicly traded company identified as one of the 200 largest reserve-owning fossil fuel companies based on the amount of carbon emissions in a company's oil, gas and coal reserves.	<a href="#">SB 170</a>
Iowa	No recent developments.		
Kansas	January 2023: State Treasurer Seeks to Limit ESG Investments	The newly elected Kansas state treasurer said he is working closely with the state AG to draft legislation that would limit ESG investments. The treasurer said such legislation may include creating a list of funds using ESG factors and directing pension boards to divest from those funds, identifying financial institutions that boycott "signature industries" and divesting from them and defining the fiduciary duty as providing the best return for the pensioners.	<a href="#">The Sentinel Article</a>
	November 2022: Kansas State Treasurer Op-Ed	Kansas Treasurer Lynn Rogers penned an op-ed in the St. John News requesting that state legislators avoid the ideological battles around ESG investment. The treasurer took a neutral stance toward ESG, stating that he is "against any law either requiring or banning the use of ESG investment data." Lynn Rogers was defeated in the November 2022 election by Republican Steven Johnson for the treasurer position.	<a href="#">Kansas Treasurer Op-Ed</a>
	May 2022: HB 2664, died in committee	Prohibited banks, trust companies, credit unions and other business entities from discriminating based on certain "subjective or arbitrary factors," including ESG and sustainability factors.	<a href="#">H.B. 2664</a>

STATE	DEVELOPMENT	KEY POINTS	FURTHER READING
	May 2022: S.B. 482, died in committee	Forbade government entities from contracting with companies unless the company verified that it did not participate in boycotts against a firearm entity or trade association and would not do so during the term of the contract.	<a href="#">S.B. 482</a>
	May 2022: S.B. 518, died in committee	Required the Kansas Public Employees Retirement System to divest from entities boycotting energy companies.  Forbade government entities to contract with such companies unless the company verified that it did not participate in boycotts against an energy company and would not do so during the term of the contract.	<a href="#">S.B. 518</a> <a href="#">KPERS Bill Recap</a>
Kentucky	January 2023: Treasurer Places 11 Financial Institutions on Energy Boycott List	The Kentucky state treasurer released a list of 11 financial institutions that boycott energy companies. A law was passed by the Kentucky legislature in 2022 directing the treasurer to release such a list. The companies on the list must stop boycotting energy companies to avoid divestment by Kentucky.	<a href="#">Treasurer's Press Release</a>  <a href="#">Restricted Financial Companies List</a>
	December 2022: Kentucky Bankers sue to classify climate risk as financial risk	The Kentucky Bankers Association challenged the state AG's investigation into banks that limit their investment in fossil fuel companies as a means of limiting their climate risk.	<a href="#">IEEFA Article</a>
	October 2022: State Attorney General and Treasurer Letter to KY Public Retirement Systems	The Kentucky attorney general and treasurer wrote a letter to the KY Public Pension Authority and the Kentucky Teachers' Retirement System requesting that the retirement systems report to their offices regarding each system's investment decisions to ensure that they are not using ESG considerations.	<a href="#">Kentucky AG and Treasurer Letter</a>
	May 2022: AG Opinion 22-05 announced	AG asserted that ESG investment practices are "inconsistent with Kentucky law governing fiduciary duties owed by investment management firms to Kentucky's public pension plans" and that such "politics has no place in KY's public pensions."	<a href="#">KY AG Opinion</a>
	April 2022: S.B. 205 enacted	Requires the state to maintain a list of financial companies that boycott energy companies and divest from them if they do not cease their boycott. Prohibits government from contracting with companies unless the company verifies that it does not participate in such boycotts and will not during the term of the contract.	<a href="#">Fox News Article</a>  <a href="#">S.B. 205</a>
	January 2022: H.B. 123, died in committee	Prohibited state from entering into major contracts with a company discriminating against firearm entities or firearm trade associations.	<a href="#">H.B. 123</a>

STATE	DEVELOPMENT	KEY POINTS	FURTHER READING
Louisiana	October 2022: State Treasurer Letter to BlackRock	Louisiana State Treasurer wrote a letter informing BlackRock that it would liquidate all BlackRock investments by the end of 2022 (approximately \$794 million) because of BlackRock's ESG considerations.	<a href="#">Louisiana Treasurer Press Release and Letter</a>
	March 2022: H.B. 25, died in committee	Prohibited a retirement system from investing in companies with policies discriminating against energy companies. Bill was intended to limit only direct investment and not indirect investments through ETFs, mutual funds and other comingled accounts.	<a href="#">HB 25</a>
	June 2022: H.B. 978, died in chamber	Prohibited public entities from contracting with companies that discriminate against firearm and ammunition industries unless the company verifies that it does not participate in such boycotts and will not do so during the term of the contract.	<a href="#">H.B. 978</a>
	May 2022: H.R. 137, died in committee	House Resolution requested the state retirement systems to invest with companies and work with minority fund managers with diversity, equity and inclusion practices.	<a href="#">HR 137</a>
	June 2022: HR 203, adopted	House Resolution created the ESG Task Force to study and make recommendations relating to the use of ESG criteria in lending and investment practices.	<a href="#">HR 203</a>
	June 2022: HR 246, adopted	House Resolution created the ESG Criteria Study Group to make recommendations relating to regulation of the use of ESG factors in lending and investment practices.	<a href="#">HR246</a>
	2018-2021: State Bond Commission Actions	State Bond Commission acted over several years to make a stand regarding firearms boycotts. In 2018, it rejected Citigroup and Bank of America as underwriters because of their restrictive gun policies. In 2020, it excluded Citigroup from its list of approved banks owing to the company's gun control policies. In 2021, it replaced JPMorgan Chase with Wells Fargo on a state debt refinancing contract because of JPMorgan Chase's policies against doing business with companies that sell military-style weapons to civilians.	<a href="#">Bloomberg Article</a> <a href="#">LA Illuminator Article</a>
Maine	June 2021: H.P. 65/L.D. 99, enacted	Requires state's Public Employees Retirement System to divest from fossil fuel industry by 2026. Specifically forbids investment in the 200 largest public fossil fuel companies, as determined by the carbon in their reserves.	<a href="#">HP65 / LD 99</a>
Maryland	April 2022: H.B. 740; S.B. 566, enacted	Requires assessment of climate risk in investments of MD State Retirement and Pension System. Requires its board to report annually on the climate risk levels across its portfolio and allows the Chief Investment Officer to	<a href="#">HB740 / SB566</a>

STATE	DEVELOPMENT	KEY POINTS	FURTHER READING
		make investment decisions based on the information in the report.	
Massachusetts	December 2022: H. 4170, died in chamber	<p>Mandated the review of climate risk to protect public pension beneficiaries and taxpayers by a Climate Risk Review Committee.</p> <p>Prohibited investments in and directs divestment by January 1, 2025 from "climate risk investments."</p> <p>This was defined as "any fossil fuel investments or investment in other industries including, but not limited to biofuel, that may have a negative impact on the global climate, that scientific evidence has established as contributing to climate change, that conflict with or undermine the commonwealth's climate goals, and that pose a risk to the portfolio performance for beneficiaries of the public fund."</p> <p>For indirect holdings in investment funds that are actively managed, required that the fund managers be asked to remove restricted companies from funds or create similar funds excluding those companies.</p>	<a href="#">H4170</a>
	December 2022: S. 722, died in committee	<p>Authorized independent retirement boards and some state public pension systems to divest from fossil fuel companies.</p> <p>Not applicable to the State Employees' Retirement System, the State Teachers' Retirement System or the State-Boston Retirement System</p>	<a href="#">S. 722</a>
	December 2022: H. 43, died in chamber	<p>Prohibited investment in and required divestment within 12 months from ammunitions and firearms companies.</p> <p>Applied to the Pension Reserves Investment Trust charged with managing the assets of state employees' and teachers' retirement systems, as well as assets of local retirement systems under the control of the Pension Reserves Investment Management Board.</p> <p>For indirect holdings in investment funds that are actively managed, required that the fund managers be asked to remove restricted companies from funds or create similar funds excluding those companies.</p>	<a href="#">H. 43</a>
	February 2022: PRIM Board approves proxy voting guidelines	Massachusetts Pension Reserve Investment Management (PRIM) Board approved the State Treasurer's proposal to permit state pension funds to vote against directors at companies that were not aligned with the Paris Accords, as well as the creation of an ESG Committee.	<a href="#">Treasurer Press Release</a>

STATE	DEVELOPMENT	KEY POINTS	FURTHER READING
Michigan	December 2022: S.B. 1192, died in chamber	Required managers of Michigan’s state and local public pension systems to only consider “pecuniary factors,” thus excluding ESG considerations in its investment decisions.	<a href="#">Michigan Capitol Confidential Article</a> <a href="#">S.B. 1192</a>
Minnesota	April 2022: H.F. 4574/ S.F. 4441, died in committee	Prohibited investment in, and required divestment by July 1, 2022 from, companies boycotting mining, energy production, production agriculture or commercial lumber production.  Applicable to the Combined Funds, which holds the assets of the Minnesota State Retirement System, the Public Employees’ Retirement Association and the Teachers’ Retirement Association.	<a href="#">SF 4441</a>
	May 2022: HB 4904, died in committee	Energy Discrimination Elimination Act prohibited investment in companies boycotting fossil fuel companies. Required Commissioner of Commerce to maintain a list of such companies and requires divestment from listed companies that do not cease their boycotts within 90 days of receiving notice from state entity.  Applicable to state pensions as determined by the Commissioner. For indirect holdings, required that the fund managers be asked to remove restricted companies from funds or create similar funds excluding those companies.  Prohibited the government from contracting with companies unless the company verifies that it does not participate in such boycotts and will not do so during the term of the contract.	<a href="#">HB 4904</a>
	February 2022: SF3384/HF4028, died in committee	Required Minnesota State Board of Investment to prepare a report covering the financial risks of investing in fossil fuel companies as well as identifying alternate investments.	<a href="#">SF3384 / HF4028</a>
Mississippi	January 2023: Treasurer Looks to Limit ESG Investments	Mississippi State Treasurer authored an op-ed in which he said he would work with the state legislature to limit ESG investments. The Treasurer said the simple solution was to direct the public employees’ retirement system to only look to financial return when considering investments.	<a href="#">Vicksburg Post Op-Ed</a>
	November 2022: Treasurer urges state retirement system to reject ESG	Mississippi State Treasurer released a letter to the Public Employees’ Retirement System asking the officer of the system to reject ESG policies. In the letter, the Treasurer also asked the retirement system to “formally prohibit the use of any considerations besides financial performance in its investment policy.”	<a href="#">MS Treasurer Press Release and Letter</a>

STATE	DEVELOPMENT	KEY POINTS	FURTHER READING
Missouri	November 2022: State Auditor to target ESG	The incoming State Auditor, who will take office in January 2023, said that he would focus on limiting ESG investments, that there would be new legislation addressing ESG issues and proxy voting and that the reason ESG investments are a top priority is that it "prioritizes nonfinancial factors in investment decisions."	<a href="#">The Daily Signal article</a>
	October 2022: Missouri Treasurer announces divestment from BlackRock	Missouri State Treasurer announced that the Missouri State Employees' Retirement System (MOSERS) would be divesting approximately \$500 million from BlackRock, stating that BlackRock prioritizes other considerations "above the financial interests of their customers." Additionally, the announcement indicated that in June 2022 the board voted to remove proxy voting power from asset managers advancing ESG strategies, including BlackRock.	<a href="#">Missouri Treasurer Press Release</a>
	April 2022: S.B. 1048, died in committee	Prohibited state from entering into major contracts for the purchase of goods or services with a company discriminating against firearm entities or firearm trade associations.	<a href="#">S.B. 1048</a>
Montana	No recent developments.		
Nebraska	December 2022: Nebraska AG publishes report on ESG Investing	Nebraska's attorney general published a report titled "The Endgame of ESG," seeking to inform policymakers of ESG and describe what he views as the "legal threat" presented by ESG-based investments. In the report, he stated: "This movement is a threat to our democratic form of government, so it is critical to understand its endgame" and noted that ESG is a means to let the UN "impose its hand-picked, politically preferred metrics on American businesses."	<a href="#">NBC Nebraska Article (includes full report)</a>
	March 2022: Legislators Sign Letter to Nebraska Investment Council	Several state senators sent a letter to the Nebraska Investment Council, a governmental agency that guides investment of state funds, asking it to divest from Genstar Capital on the basis that the firm prioritizes ESG initiatives that the senators are concerned will harm the state's cattle industry.	<a href="#">Letter</a>
Nevada	June 2022: Nevada Treasurer Announcement	Nevada Treasurer announced that state is to divest from businesses that sell or manufacture assault-style weapons. Office of the Treasurer is conducting a review of all current assets and will work to divest in "the most fiscally prudent manner possible." The move will reportedly affect less than 1% of the \$49 billion investment portfolio.	<a href="#">USA Today Article</a>
New Hampshire	June 2022: HB 1469, enacted	Created a committee to determine the need for anti-discrimination legislation in the state's financial industry including discrimination based on political opinion.	<a href="#">HB 1469</a>

STATE	DEVELOPMENT	KEY POINTS	FURTHER READING
		The bill text introduced originally aimed to prevent financial institutions from discriminating based on "social credit, environmental, social, and governance, or similar values-based or impact criteria," but it was amended during the legislative process.	
New Jersey	January 2022: A. 1733/S. 416, pending	Requires state's Public Employees Retirement System and the Teachers' Pension & Annuity Fund, among other such funds managed by the Director of Investment, to divest from the fossil fuel industry by January 1, 2022.  Specifically forbids investment in the 200 largest public fossil fuel companies, as determined by the carbon in their reserves.	<a href="#">A1733 / S416</a>
	January 2022: A. 1752/S. 1407, pending	Prohibits investment by the state of any pension and annuity funds in companies manufacturing, importing and selling assault firearms for civilian use. Divestment from such restricted companies would be required within three years.	<a href="#">A. 1752/S. 1407</a>
New Mexico	August 2021: State Investment Council Adopts ESG Policy	The State Investment Council adopted guidelines to incorporate ESG considerations in connection with the New Mexico Permanent Funds.  In investing and managing the Permanent Funds assets, the importance of long-term sustainability and ESG factors that "can present material business risks or opportunities" will be considered, subject to fiduciary duties of the State Investment Officer and Council.	<a href="#">ESG Policy</a>
New York	January 2022: S4783A/A6331, died in committee	Teachers' Fossil Fuel Divestment Act prohibits investment in coal, oil and gas producers, specifically those to be included on an exclusion list. Divestment from coal producers must be completed within one year and divestment from oil and gas producers within two years of a company being included on the exclusion list but in any event no later than five years from the effective date of the legislation. Applicable to the NY State Teachers' Retirement System.	<a href="#">S4783A</a>
	December 2021: NYS Teachers' Retirement System Announcement	New York State Teachers' Retirement System announced a freeze on any further investments in 10 biggest thermal coal company holdings and 10 biggest holdings in oil and gas companies. It will also divest from direct holdings in coal producers.	<a href="#">NYSTRS Announcement</a>
	December 2020: NYS Pension Fund Announcement	NY State Common Retirement Fund to achieve net zero greenhouse gas emissions for its portfolio by 2040. To accomplish this, the retirement fund will review energy-related investments and assess climate investment risks then divest from companies that fail to meet certain minimum standards.	<a href="#">Office of the NY State Comptroller</a>

STATE	DEVELOPMENT	KEY POINTS	FURTHER READING
North Carolina	No recent developments.		
North Dakota	March 2021: SB2291, enacted	<p>Prohibits Social Investment Board from making “social investments” unless it can be demonstrated that such investment will perform at least as well as a similar non-social investment would.</p> <p>Also directs the state’s Department of Commerce to report on: (1) ESG-related investment policies, (2) the state’s involvement with companies that consider ESG factors in their decisions and the implications of companies boycotting energy or production agriculture commodities.</p>	<a href="#">SB 2291</a>
Ohio	May 2021: H.B. 297, died in committee	Firearm Industry Non-discrimination (FIND) Act would prohibit government to contract with companies unless the company verifies that it does not participate in boycotts against a firearm entity or trade association and would not do so during the term of the contract.	<a href="#">H.B. 297</a>
Oklahoma	December 2022: S.B. 15, pending	Bill filed ahead of the 2023 legislative session, which would prohibit the state from contracting with companies that discriminate against a firearm entity or firearm trade association. This bill would not apply to companies valued below \$100,000 and with fewer than 10 employees. This is a similar bill to HB3144, which failed the legislative process in 2022.	<a href="#">Press Release</a> <a href="#">SB15</a>
	May 2022: H.B. 2034, enacted	<p>Involves all Oklahoma state retirement systems and requires treasurer to maintain and provide to each state governmental entity a list of financial companies that boycott energy companies.</p> <p>Prohibits investment in any listed companies and prohibits state governmental entities from entering a contract for goods or services with a listed company unless alternatives are not available.</p> <p>Prohibits state governmental entities from entering a contract for goods or services worth at least \$100,000, unless company verifies in writing that it does not boycott energy companies and will not do so during the contract.</p> <p>Applicable only to companies with at least 10 full-time employees.</p>	<a href="#">HB2034</a>
	May 2022: H.B. 3144, died in committee	Prohibited Oklahoma state governmental entities from entering a contract for goods or services worth at least \$100,000 and paid partly from public funds, unless the company verified in writing that it did not discriminate against firearm entities or trade associations and would not do so during the contract term.	<a href="#">HB3144</a>

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Oregon	November 2022: Treasurer Releases Statement on Decarbonization	Oregon's treasurer announced that his office would devise a long-term decarbonization plan for the state's pension fund investments by early 2024. He further noted that the goal would be for the state to get the pension fund to 50% decarbonization by 2035 and net zero carbon by 2050.	<a href="#">Treasurer's Statement</a>
	September 2020: Oregon Investment Council Amends Investment Policy	Oregon Investment Council amended its investment policy to adopt ESG principles to its statement of investment and management beliefs, stating that the incorporation of ESG factors "may have a beneficial impact on the economic outcome of an investment and aid in the assessment of risks associated with that investment."	<a href="#">Chief Investment Officer Article</a> <a href="#">Item 8 of Statement of OIC Investment and Management Beliefs</a>
Pennsylvania	July 2021: SB748, died in committee	Amends <i>Protecting Pennsylvania's Investments Act</i> .  Involves Pennsylvania State Employees' Retirement System and the Public School Employees' Retirement System. Provides for identification of assault weapons manufacturers, for required actions related to assault weapons manufacturers and reports relating to assault weapons manufacturers.  Prohibits investment in assault weapons manufacturers and requires divestment from restricted companies that do not cease their weapons manufacturing activities within 180 days of receiving notice of the state entity's intention to divest within 26 months. Indirect holdings or holdings in alternative investments are inapplicable.	<a href="#">SB748</a>
	September 2022: HB2799, died in committee	<i>Liberty, Virtue and Independence Act</i> . This bill forbids financial institutions from discriminating based on "subjective or arbitrary" standards including using social credit or environmental, social or governance scores and imposes fines for such offenses and allows for criminal prosecution if five or more offenses are committed.	<a href="#">HB2799</a>
Rhode Island	January 2020: Rhode Island Divestment Announced	Announced State Investment Commission's divestment from companies manufacturing assault-style weapons for civilian use or companies operating private for-profit prisons. Involved Employees' Retirement System of Rhode Island.	<a href="#">Rhode Island to Divest from Private Prisons, Gun Makers</a>
South Carolina	January 2023: H3565, pending	A bill introduced to provide that "state retirement funds must be invested solely to achieve a return for pension plan beneficiaries and not to achieve certain political and social objectives, including: reducing greenhouse gas emissions, instituting board or employment, composition, compensation or disclosure criteria that incorporates protected characteristics, divest from any company for failing to meet environmental standards or	<a href="#">H. 3565</a>

STATE	DEVELOPMENT	KEY POINTS	FURTHER READING
		disclosures, access to abortion, sex or gender change or transgender surgery, divesting from firearms companies.	
	December 2022: HB3564, pending	This bill prohibits state from contracting with companies that boycott or discriminate against certain companies engaging in "economic boycotts," including: (a) those engaged in fossil fuel-based energy, timber, mining, agriculture, firearms, (b) those that do not meet environmental standards or disclosure criteria, particularly related to greenhouse gas emissions, or board or employment standards or criteria, particularly related to protected characteristics, (c) those that do not facilitate access to abortion, sex or gender change, or transgender surgery and (d) those that do business with the above.	<a href="#">HB 3564</a>
	November 2022: S0111, pending	This bill prohibits banks and financial institutions from discriminating based on certain "subjective or arbitrary" standards including "social credit, environmental, social, and governance, or similar values-based or impact criteria." However, they "may offer customers investments, products, and services that include subjective standards, provided that the standards are fully disclosed and explained to any potential customer or investor before entering into a contract for such products and services."	<a href="#">S0111</a>
	October 2022: South Carolina Treasurer announces divestment from BlackRock	South Carolina State Treasurer announced that the state will be divesting approximately \$200 million from BlackRock due to the manager's ESG and sustainable investing policies.  The treasurer noted that he had already been working "systematically to remove BlackRock-managed funds from our state's various investment portfolios" over the last five years.	<a href="#">PI Online Article</a>
	February 2022: H. 4978, died in committee	This bill forbids financial institutions from discriminating in lending determinations based on "subjective or arbitrary" standards including the use of "social credit, environmental, social, and governance, or similar values-based or impact criteria."	<a href="#">H. 4978</a>
	February 2022: H. 4996, died in committee	Prohibits investment in and contracting with companies that boycott energy companies.	<a href="#">H. 4996</a>
<b>South Dakota</b>	February 2022: S.B. 182, died in chamber	Prohibits discriminatory actions against persons engaged with the firearm industry.	<a href="#">S.B. 182</a>
<b>Tennessee</b>	July 2022: SB2649, in effect	Prohibits State Treasurer from entering a contract with a state depository if the state depository has a policy	<a href="#">SB2649</a>

STATE	DEVELOPMENT	KEY POINTS	FURTHER READING
		prohibiting financing to companies within the fossil fuel industry.	
Texas	December 2022: HB 645, pending	A bill that would prohibit financial institutions and other business from using value-based criteria in its business practices.	<a href="#">HB 645</a>
	December 2022: Texas Senate hearing with BlackRock, State Street and ISS	<p>The Texas State Senate’s Committee on State Affairs conducted a hearing with executives from BlackRock, State Street and ISS regarding ESG, including with respect to ESG considerations in investment portfolios. During the hearing, Committee members raised questions regarding fiduciary responsibility, participation in the Climate Action 100+ initiative, use of proxy voting and the existence of any biases in making investments.</p> <p>In response, the representatives sought to make clear that when making investment decisions, their firms consider a variety of material financial factors – including ESG-related considerations – that may impact the performance of their clients’ investments. They also focused on proxy voting, as well as efforts to expand voting choice to more of the underlying investors in their funds.</p>	<a href="#">Hearing (Part I) with BlackRock and State Street</a> <a href="#">Hearing (Part II) with ISS</a> <a href="#">Reuters Article</a>
	November 2022: Texas Senate subpoenas BlackRock	The Texas State Senate’s Committee on State Affairs issued a subpoena to BlackRock requesting ESG-specific documents and testimony from its executives (including CEO Larry Fink) with the state intention of discussing impacts the firm’s ESG policies may have on Texans’ retirement savings.	<a href="#">Bloomberg Article</a>
	August 2022: Texas Comptroller Publishes List, and Firms Respond	<p>Texas Comptroller published a list of 10 financial institutions that the Comptroller identified to be boycotting energy companies and published an FAQ regarding the methodology the Comptroller used to reach its determination.</p> <p>Following this development, BlackRock and at least four other major financial firms on the state comptroller’s divestment list have asked to be removed from it, arguing that they shouldn’t have been included at all. In an October 3, 2022 letter to the comptroller, BlackRock representatives stated: “We believe your determination is incorrect and is contradicted by verifiable public information. . . . BlackRock does not boycott energy companies” under the relevant state code.</p>	<a href="#">Texas Comptroller Press Release</a> <a href="#">List of Financial Companies that Boycott Energy Companies</a> <a href="#">ESG Clarity Article</a> <a href="#">BlackRock: “Setting the Record Straight”</a>
	September 2021: S.B. 13, enacted	Calls upon “the comptroller of public accounts to prepare, maintain, and provide to the permanent school fund (PSF) and each statewide retirement system a list of all financial companies that boycott energy companies.”	<a href="#">S.B. 13</a>

STATE	DEVELOPMENT	KEY POINTS	FURTHER READING
		<p>Directs state pension and school funds to divest shares they hold in financial groups that, in the government's view, "boycott energy companies."</p> <p>Texas's comptroller announced on August 25, 2022 that 10 investment companies and 350 investment funds "boycott" fossil fuel companies in the state. These now face possible divestment by state pension funds due to S.B. 13.</p>	
	September 2021: S.B. 19, enacted	<p>Requires every financial institution doing business with state and local government entities to certify that it does not "have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association."</p> <p>Directs state pension and school funds to divest shares they hold in financial groups that, in the government's view, boycott firearm companies.</p>	<a href="#">S.B. 19</a>
	October 2021: Teacher Retirement System ESG Policy	Teacher Retirement System of Texas adopted formal policy to consider ESG factors material to long-term returns and levels of risk.	<a href="#">TRS Investment Policy Statement.</a>
<b>Utah</b>	September 2022: Utah Treasurer announces divestment from BlackRock	Utah's state treasurer announced that the state would be divesting approximately \$100 million from BlackRock due to the manager's ESG and sustainable investing policies and moving the funds to different managers.	<a href="#">The Salt Lake Tribune Article</a>
	April 2022: Treasurer's Statement on ESG	Treasurer released a statement, saying: "The promotion of ESG in any form is destructive to our capital markets and economic freedoms and, ultimately, as seen in Europe, our national security."	<a href="#">Gravity Exists Article</a>
	March 2022: H.B. 312, not passed	Prohibited a public entity from entering a contract for financial services with a financial company unless: (1) the contract included a written certification that the company does not have a policy of refusing to finance fossil fuel companies; and (2) the company agreed not to adopt a policy of refusing to finance fossil fuel companies for the duration of the contract.	<a href="#">H.B. 312</a>
<b>Vermont</b>	March 2022: S251, died in committee	<p>Act relating to divestment of state pension funds from fossil fuel companies. Involves Vermont Pension Investment Commission, the Vermont State Teachers' Retirement System, the Vermont State Employees' Retirement System and the Vermont Municipal Employees' Retirement System; requires divestment by January 1, 2025 from restricted companies.</p> <p>Prohibits investment in the 200 publicly traded fossil fuel companies whose fossil fuel reserves have the largest potential carbon emissions.</p>	<a href="#">S251</a>

STATE	DEVELOPMENT	KEY POINTS	FURTHER READING
Virginia	February 2022: S.B. 213/H.B. 645, died	<p>Involved Board of Virginia Retirement System and local retirement systems; required divestment by January 1, 2027 from restricted companies.</p> <p>Prohibited investment in the 200 publicly traded fossil fuel companies with the largest fossil fuel reserves and the 30 largest public companies with coal-fired power plants.</p> <p>The board cannot invest any assets in the stocks, securities or other obligations of any fossil fuel company or any subsidiary, affiliate or parent of any fossil fuel company.</p>	<a href="#">S.B. 213/H.B. 645</a>
Washington	No recent developments		
West Virginia	June 2022: S.B. 262, enacted	Relates generally to financial institutions engaged in boycotts of energy companies. Allows treasurer to maintain list of financial institutions that boycott energy companies in addition to disqualifying bids from said institutions, refusing to enter state banking contracts with them and requiring institutions to verify they will not boycott energy companies during term of contract (in writing).	<a href="#">S.B. 262</a>
	February 2022: S.B. 555, died	<p>Bill amends the Code of West Virginia, 1931, by adding a new section relating generally to financial institutions engaged in boycotts of firearms companies.</p> <p>Allows treasurer to maintain list of financial institutions that boycott firearms companies in addition to disqualifying bids from said institutions, refusing to enter state banking contracts with them and requiring institutions to verify they will not boycott firearms companies during term of contract (in writing).</p>	<a href="#">S.B. 555</a>
	January 2022: H.B. 3084, died in committee	<p>Related to West Virginia Public Employees Retirement system and prohibited investment of funds in companies divesting from natural gas, oil, coal, petrochemicals, forestry products or agriculture commodities.</p> <p>Empowered board to name restricted businesses to a restricted business list and to remove seven investments from restricted businesses with notice.</p>	<a href="#">H.B. 3084</a>
Wisconsin	No recent developments.		
Wyoming	December 2022: Lawmakers place anti-ESG bill as high priority	Republican lawmakers in Wyoming identified the prohibition of investing public money in ESG funds as a top priority in the coming legislative session.	<a href="#">WyoFile Article</a>
	July 2021: H.B. 0236, in effect	Prohibits financial institutions from discriminating against firearms businesses.	<a href="#">H.B.0236</a>

STATE	DEVELOPMENT	KEY POINTS	FURTHER READING
		<p>In the context of this act, "discriminate" means: refusing to trade goods or services, discontinuing or terminating an existing relationship, among others.</p>	