

Sixty-seventh
Legislative Assembly
of North Dakota

ENGROSSED 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 of the North Dakota
2 Century Code, relating to social investments made by the state investment board; to provide for
3 a department of commerce study of the implications of complete divestment of companies that
4 boycott energy or commodities; to provide for reports to legislative management; and to declare
5 an emergency.

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

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

9 **Social investment - Prohibition.**

- 10 1. As used in this section, "social investment" means the consideration of socially
11 responsible criteria in the investment or commitment of public funds for the purpose of
12 obtaining an effect other than a maximized return to the state.
13 2. Except as otherwise provided in a state investment policy relating to the investment of
14 the legacy fund and unless the state investment board can demonstrate a social
15 investment would provide an equivalent or superior rate of return compared to a
16 similar investment that is not a social investment and has a similar time horizon and
17 risk, the state investment board may not invest state funds for the purpose of social
18 investment.

19 **SECTION 2. DEPARTMENT OF COMMERCE STUDY OF DIVESTMENT OF COMPANIES**
20 **THAT BOYCOTT ENERGY OR COMMODITIES - REPORT TO LEGISLATIVE**
21 **MANAGEMENT.** During the 2021-22 interim, the department of commerce shall study
22 environmental social governance as it pertains to a set of nonspecific, quantifiable, and
23 nonquantifiable criteria with attributing factors used for making determinations, decisions, or
24 investments as it pertains to government and private industry in the state. The study must

1 include an evaluation of investment policy as it relates to environmental social governance and
2 the level of involvement the state has with companies that use environmental social governance
3 in their ranking when making business or investment decisions. The study must also include the
4 potential implications for the state as it relates to the boycott of energy or production agriculture
5 commodities by companies that intend to penalize, inflict economic harm on, or limit commercial
6 relations. All aspects of boycotts, including the transport, sale, utilization, production, or
7 manufacturing of natural gas, oil, coal, petrochemicals, or production agricultural commodities
8 must be evaluated. The department of commerce shall report its findings and recommendations
9 to the legislative management by June 1, 2022.

10 **SECTION 3. EMERGENCY.** This Act is declared to be an emergency measure.