

Panel Discussion

ENVIRONMENTAL, SOCIAL, AND CORPORATE GOVERNANCE



Legislative Outlook Conference

January 10th, 2022

Statement on ESG

"Since its founding in 1922, one of the objectives of the Utah Taxpayers Association has been to promote efficient and economical government and fair and equitable taxation. A key tenet of that objective is the promotion of free market principles, which lower costs for government and taxpayers. While ESG efforts are clearly anti-free market, ESG is a national issue and any proposed state policies should not increase costs for taxpayers."



Panelists



**REPRESENTATIVE
KARIANNE
LISONBEE**



**SENATOR
SCOTT
SANDALL**



**HOWARD HEADLEE,
UTAH BANKERS
ASSOCIATION**

Policy

Proposals

ESG: STATE CONTRACTS AND PROCUREMENT

(SHIPP)

- ✓ For financial services contracts, a procurement unit must give preference to financial companies that do not have a policy or practice of refusing to provide financial services to agriculture, firearm, or fossil fuel companies.

ESG: STATE INVESTMENTS

(WILSON)

- ✓ A person who invests funds on behalf of a governmental entity may only consider financial factors.
- ✓ Provides that a court may reasonably determine the person did not consider financial factors if the person has a fiduciary commitment to further certain interests.
- ✓ A governmental entity must compile and publicly provide proxy voting reports.

ESG: FINANCIAL INSTITUTIONS

(IVORY)

- ✓ Prohibits a financial institution or investment advisor from offering a financial service that considers criteria based on political, social, or ideological values unless the criteria is disclosed and consent is obtained and from refusing to provide a financial service based on the criteria.
- ✓ Requires a financial institution or investment advisor to disclose the basis for refusal to provide a financial service under certain circumstances.
- ✓ Provides a penalty for a financial institution's or investment advisor's failure to properly disclose or obtain consent.
- ✓ May include a collusion or conspiring to collude provision (illegal anticompetitive activity).

SOCIAL CREDIT SCORES

(ACTON)

- ✓ Prohibits a governmental entity from directly or indirectly using, enforcing, providing data for use in, or otherwise participating in the creation or use of a system that, based on a social credit score, discriminates against, advocates for, or causes adverse or preferential treatment of a person.
- ✓ Prohibits a governmental entity from collecting, evaluating, reporting, or maintaining in a record the credit worthiness, credit standing, or credit capacity of a person's social network for purposes of determining the person's credit worthiness.
- ✓ Allows a person to report certain social credit score actions to the Division of Consumer Protection.