

SENATE COMMITTEE SUBSTITUTE

FOR

SENATE BILL NO. 1171

AN ACT

To amend chapter 34, RSMo, by adding thereto one new section relating to prohibiting discrimination against businesses based on environmental, social, and governance scores.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 34, RSMo, is amended by adding thereto one new section, to be known as section 34.710, to read as follows:

34.710. 1. A public body, when engaged in procuring or letting contracts for any purpose, shall ensure that bidders, offerors, contractors, or subcontractors are not discriminating based on an environmental, social, and governance score.

2. This section applies only to a contract that:

(1) Is between a public body and a company with ten or more full-time employees; and

(2) Has a value of fifty-thousand dollars or more that is to be paid wholly or partially from public funds of the public body.

3. A public body may not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it does not use environmental, social, and governance scoring.

4. Subsection 3 of this section shall not apply to a public body that determines the requirements of subsection 3 of this section are inconsistent with the public body's constitutional or statutory duties related to the issuance, incurrence, or management of debt obligations or the

deposit, custody, management, borrowing, or investment of funds.

5. For purposes of this section, the following terms mean:

(1) "Company", a for-profit entity, other than a sole proprietorship, but including an organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including any wholly-owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations, that exists to make a profit;

(2) "Environmental, social and governance score", an evaluation conducted by an entity that takes into consideration one or more of the following:

(a) The use of energy and raw materials by the bidder, offeror, contractor, or subcontractor;

(b) Whether the bidder, offeror, contractor, or subcontractor spends funds on social welfare or makes charitable donations;

(c) The wages and working hours of the employees of the bidder, offeror, contractor, or subcontractor;

(d) The environmental policies of the bidder, offeror, contractor, or subcontractor; and

(e) The bribery and corruption policies of the bidder, offeror, contractor, or subcontractor;

(3) "Public body", the state, any agency of the state, any political subdivision of the state, or any instrumentality thereof.

6. The commissioner of administration or his or her designee may promulgate regulations to implement the provisions of this section so long as they are consistent with this section and do not create any exceptions. Any

rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2022, shall be invalid and void.