

HB61 INTRODUCED



1 HB61
2 22YZSI-1
3 By Representative Brown
4 RFD: State Government
5 First Read: 06-Feb-24
6 PFD: 30-Jan-24



SYNOPSIS:

This bill would prohibit the consideration of environmental, social, and governance (ESG) criteria when awarding a public contract and would require a responsible bidder, as a condition of being awarded a public contract, to certify, under penalty of perjury, that its employees will not be subject to a personal ESG rating as a basis of hiring, firing, or evaluation.

A BILL
TO BE ENTITLED
AN ACT

Relating to public contracts; to prohibit the consideration of environmental, social, and governance (ESG) criteria when awarding a public contract; and to require a responsible bidder, as a condition of being awarded a public contract, to certify, under penalty of perjury, that its employees will not be subject to a personal ESG rating as a basis of hiring, firing, or evaluation.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. (a) As used in this section, the following terms have the following meanings:

(1) ENVIRONMENTAL. Energy efficiency, carbon footprint,



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greenhouse gas emissions, deforestation, biodiversity, climate change and pollution mitigation, waste management, and water usage.

(2) ESG CRITERIA. Environmental, social, and governance standards.

(3) ESG RATING. A measurement of an individual's ESG criteria based on an assessment of their quality, standard, or performance.

(4) GOVERNANCE. Corporate board diversity, composition and structure, strategic sustainability and compliance, executive compensation, political contributions and lobbying, tax transparency, and bribery and corruption.

(5) PERSONAL ESG RATING. Any measurement of an individual's personal lifestyle choices, including, but not limited to, any of the following criteria:

- a. Dietary choices.
- b. Sustainable energy usage.
- c. Transportation habits.
- d. Environmental impact.
- e. Ethical or sustainable purchasing choices.
- f. Recycling habits.
- g. Carbon footprint.
- h. Personal contributions to social justice issues.

(6) SOCIAL. Diversity, racial justice, pay equity, or social justice issues.

(b) A state or local governmental agency or other public awarding authority may not consider ESG criteria or an ESG rating when awarding a public contract that has a value of



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57 one hundred thousand dollars (\$100,000) or more.

58 (c) Before a public awarding authority may award a
59 public contract to a responsible bidder, the responsible
60 bidder shall certify, under penalty of perjury, that its
61 employees will not be subject to a personal ESG rating as a
62 basis of hiring, firing, or evaluation.

63 Section 2. This act shall become effective January 1,
64 2025.