



HOUSE BILL 784: Financial Institutions/ESG Factors.

2023-2024 General Assembly

Committee:	House Banking. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	April 27, 2023
Introduced by:	Reps. Balkcom, D. Hall, Winslow, Zenger	Prepared by:	Amy Darden
Analysis of:	First Edition		Committee Counsel

OVERVIEW: *House Bill 784 would prohibit State chartered banks, credit unions, savings and loan associations, and savings banks from refusing to provide any financial services based upon a person's political affiliation or any value-based or impact-based criteria, including environmental, social, and governance credit factors (ESG) and create a civil penalty of \$10,000 for any violation.*

CURRENT LAW: ESG scores refer to environmental, social, and governance scores. ESG is a broad concept related to companies planning for future impacts of environmental issues and can extend to companies reducing environmental or social impacts. There is no standard definition. Currently, North Carolina has no law regarding ESG scores.

BILL ANALYSIS: House Bill 784 would do the following:

- Prohibit State chartered banks, credit unions, savings and loan associations, and savings banks from refusing to provide any financial services, refusing to continue providing financial services, terminating existing financial services, or otherwise discriminating in providing financial services solely based on either of the following:
 - The person's political affiliation.
 - Any value-based or impact-based criteria, including social credit scores or environmental, social, and governance credit factors.
- Any person refused services in violation of this prohibition may sue for injunctive relief.
- Any violation may result in a \$10,000 civil penalty and if the violation is found to be willful, the court may award treble the amount of the civil penalty. All civil penalties will be remitted to the Civil Penalty and Forfeiture Fund.

EFFECTIVE DATE: House Bill 784 would become effective when it becomes law, and apply to acts and omissions occurring on or after that date.

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