



# North Dakota House of Representatives

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## **Representative Anna S. Novak**

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## **COMMITTEES:**

Education  
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January 23, 2023

### Testimony for HB1429 – ESG and State Contracts

Mr. Chairman, members of the committee, for the record my name is Anna Novak, Representative from District 33. I am sponsoring HB1429. This bill essentially tells the Procurement Department with the state of North Dakota that they are not able to do business with companies that boycott critical state sectors based on Environmental and Social Governance, also known as ESG. Examples of critical state sectors would be those dealing with our fossil fuel industries, agriculture and firearms.

ESG is meant to be a framework within an organization to focus on environmental and social issues. It's put in place to encourage companies to "do the right thing" and invest in companies that want to reduce their carbon emissions and act in a way that is viewed to be socially responsible. Companies are evaluated and given scores based on applying ESG within their organization. Those scores are highly subjective. For instance, companies are allowed to purchase renewable energy credits or hire a diverse workforce to increase their ESG score.

It's admirable when companies try to do things in a way that's better for our environment. And as one of the few young women serving in the North Dakota legislature, of course I think it's great for all views to be heard and for all to have a seat at the table. But ESG is meant to not only discourage, but to penalize investments in fossil fuels and agriculture. It focuses on championing social issues that oftentimes are not in line with family values, which are cherished by the people we represent. There is also an emphasis on equity instead of equality. As a North Dakota native, I believe that flies in the face of encouraging hard work and merit-based accomplishments.

Energy and Agriculture are North Dakota's largest industries. They employ thousands and we have a responsibility to our citizens to protect their livelihoods. During this biennium, we have a surplus of tax revenue specifically because of the energy industry. It's my belief that with state money, we should not be doing business with companies that not only don't want to do business with us...but that want to see the demise of our critical state sectors. I'd like to note that there is a clause that allows us to do business with a company that has adopted ESG if there are no other options available.

Bette Grande from the Heartland Institute is here and will answer any technical questions you may have, as she has helped other states fight back against ESG. I urge you to give HB1429 a Do Pass vote and I'll stand for any questions. Thank you.