



News

Bessie Daschbach Discusses Florida's Proposed Anti-ESG Legislation and Its Potential Economic and Legal Impact on Financial Institutions and Businesses

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Hinshaw partner Bessie Daschbach authored a byline published in the *Daily Business Review* discussing proposed legislative measures supported by Florida Governor Ron DeSantis that would curtail the use of environmental, social, and governance (ESG) factors by government actors and financial institutions. Daschbach describes the "sweeping scope" of the proposed legislation and its potential impact on fiduciaries.

Daschbach states, "According to the release, the aim will be to prohibit financial institutions from relying on ESG factors in banking and lending practices," "to prohibit government fund managers from considering ESG factors in investment decisions," and "to prohibit any government entity from considering ESG factors as part of contract procurement or when issuing bonds." She notes that some states are considering their own proposals with the goal to limit the use of ESG factors by government actors and businesses. Others, however, including Kentucky, North Dakota, Arizona, Wyoming, and North Carolina, are resisting the anti-ESG push.

Daschbach said that the legal and economic implications of the anti-ESG legislation are cause for critical review. "Prohibiting reliance on ESG factors could be especially critical for Florida pension funds and those that manage them," she says. "That intersection of ESG factors and fiduciary duty is a recurring theme for those looking closely at anti-ESG efforts." Given the economic and legal issues surrounding anti-ESG legislation and the implications for fiduciaries, Daschbach recommends businesses and their counsel play close attention to the legislation.

[Read the full article \(subscription required\)](#)

"Understanding Fla.'s Proposed Anti-ESG Legislation and Its Impact on Fiduciaries, Businesses and Counsel" was published by *Daily Business Review* on March 21, 2023.

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