ELIMINATE ECONOMIC BOYCOTTS ACT

What does this policy do?

The Eliminate Economic Boycotts Act prohibits state and municipal governmental entities from contracting with companies that boycott responsible American businesses expressly because they operate in certain industries—most notably fossil fuels, timber, mining, and agriculture.

The purpose of the act is to ensure that taxpayer dollars do not fund commercial boycotts that reduce economic growth, cause job losses, and shrink a state's tax base.

An "economic boycott" occurs when a business refuses to deal with a company because that company engages in the exploration, production, utilization, transportation, distribution sale, or manufacturing of, fossil fuel-based energy, timber, mining, or agriculture.

Contracts between governmental entities and businesses with greater than 10 employees must contain a written verification that the company does not engage certain in economic boycotts.

Municipal Contracts

+

State Accounts

+

State Contracts

=

MAJOR Purchasing Power Leverage

The act allows governmental entities to claim an exception to the statute if they are not able to economically procure the goods and services from another provider.

Laws that prohibit state investments/contracts with companies that boycott energy companies are in the following 5 states: Texas, Oklahoma, Kentucky, Tennessee, and West Virginia.

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Why it matters:

Corporations are pressuring elected officials, other companies, and individuals to show support for progressive politics and direct capital away from politically unfavored industries. Instead of encouraging companies to focus on activities with the highest return on investment, they are using their market power to promote progressive ideology and policies. So, taxpayer dollars are being used by companies to harm the economic interest of states and their citizens.

The Eliminate Economic Boycotts Act empowers states to collectively push back against the rise of environmental, social, and governance (ESG) practices, "stakeholder capitalism," and other forms of commercial boycotts and discriminatory business activity.

Though investors and executives claim these efforts are in the best interest of their clients and shareholders, the data shows otherwise. For example, restricting investment and services to risky and unreliable "green" energy and ignoring the fact that the world will continue to demand fossil fuels for centuries to come is not a financially sound investment strategy. A company's "greatest responsibility lies in the satisfaction of shareholders."

State and local governments should not fund companies that collude to deny capital to responsible American businesses. Americans' tax dollars should not go to corporations that use their economic power to deliberately punish American businesses and individuals that do not adopt progressive business practices.