

# **WEST VIRGINIA LEGISLATURE**

## **2025 REGULAR SESSION**

### **Committee Substitute**

**for**

### **Senate Bill 850**

BY SENATOR WILLIS

[Reported March 26, 2025, from the Committee on  
Banking and Insurance]



1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding two new sections,  
2 designated §31D-8-870 and §31D-8-871, relating to the creation of the Protecting  
3 Shareholders Act; providing definitions; establishing standards for a breach of fiduciary  
4 duty; and specifying prima facie evidence of breach of fiduciary duty.

*Be it enacted by the Legislature of West Virginia:*

## **ARTICLE 8. DIRECTORS AND OFFICERS.**

### PART VII. PROTECTING SHAREHOLDERS ACT.

#### **§31D-8-870. Part definitions.**

1 Under the Protecting Shareholders Act, the following terms have the following meaning:

2 (1) "Diversity, equity, and inclusion" means any action, attempt, or effort to:

3 (A) Influence hiring or employment practices with respect to race, color, sex, ethnicity, or  
4 national origin, other than through the use of color blind and sex neutral hiring processes in  
5 accordance with any applicable state and federal anti-discrimination laws;

6 (B) Promote or provide special benefits to individuals on the basis of race, color, ethnicity,  
7 or national origin;

8 (C) Promote policies or procedures designed or implemented in reference to race, color,  
9 ethnicity, or national origin, other than to ensure compliance with an applicable court order or  
10 state or federal law; or

11 (D) Conduct trainings, programs, or activities designed or implemented in reference to  
12 race, color, ethnicity, or national origin, other than trainings, programs, or activities developed for  
13 the sole purpose of ensuring compliance with an applicable court order or state or federal law;

14 (2) "Environmental, social, and governance" means a framework that measures the non-  
15 pecuniary behavior of a business. The environmental component considers greenhouse gas  
16 emissions. The social component incorporates diversity, equity, and inclusion into the decision-

17 making process. The governance component examines staff, officer, board diversity, or a  
18 combination thereof using diversity, equity, and inclusion factors; and

19 (3) "Pecuniary interest" means the interests of minimizing financial risk and maximizing  
20 financial return to shareholders.

**§31D-8-871. Protecting shareholders from environmental, social, and governance programs.**

1 When a director or officer of a corporation owes a fiduciary duty to the corporation or any  
2 shareholder, it shall be prima facie evidence of a breach of that fiduciary duty when the director  
3 or officer prioritizes any element of environmental, social, and governance interest over pecuniary  
4 interests.