

BILL ANALYSIS

Senate Research Center
84R11329 TSR-D

S.B. 940
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State Affairs
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, the comptroller of public accounts of the State of Texas (comptroller) is required to maintain a list of scrutinized companies, or companies that contract with the governments of Sudan or Iran. Upon receiving this list, state pension funds, including the Employees Retirement System and the Teacher Retirement System, are required to notify the comptroller of the listed companies in which they own direct or indirect holdings within 14 days. Interested parties contend that the 14-day limit is insufficient to effectively fulfill this statutory requirement. As introduced, S.B. 940 alleviates the required time constraint by expanding the 14-day reporting requirement to a 30-day requirement.

State pension funds are also required to submit a publicly available report to the presiding officer of each house of the legislature, the attorney general, and the United States presidential special envoy to the appropriate country by December 31 of each year. S.B. 940 also changes the public notice requirement date to within 30 days of receiving a scrutinized list.

As proposed, S.B. 940 amends current law relating to the notification and reporting duties of a state governmental entity with public retirement system investment holdings in Sudan or Iran.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 806.052, Government Code, as follows:

Sec. 806.052. IDENTIFICATION OF INVESTMENT IN LISTED COMPANIES. Requires the state governmental entity to notify the comptroller of the listed companies in which the state governmental entity owns direct or indirect holdings not later than the 30th day, rather than 14th day, after the date a state governmental entity receives the list provided under Section 806.051 (Listed Companies), rather than Section 806.051(c).

SECTION 2. Amends Section 806.102, Government Code, as follows:

Sec. 806.102. REPORT. Requires a state governmental entity to file a publicly available report with the presiding officer of each house of the legislature, the attorney general, and the United States presidential special envoy to Sudan not later than the 30th day after the date a state governmental entity receives the list provided under Section 806.051 for a specific year or the last updated version of the list for that year, rather than December 31 of each year, that:

- (1) identifies all investments sold, redeemed, divested, or withdrawn in compliance with Section 806.056 (Divestment of Assets);
- (2) identifies all prohibited investments under Section 806.059 (Prohibited Investments); and

(3) summarizes any changes made under Section 806.057 (Investments Exempted from Divestment).

SECTION 3. Amends Section 807.052, Government Code, to change a reference to the 14th day to the 30th day.

SECTION 4. Amends Section 807.102, Government Code, as follows:

Sec. 807.102. REPORT. Requires a state governmental entity to file a publicly available report with the presiding officer of each house of the legislature and the attorney general not later than the 30th day after the date a state governmental entity receives the list provided under Section 807.051 (Listed Companies) for a specific year or the last updated version of the list for that year, rather than December 31 of each year, that:

(1) identifies all securities sold, redeemed, divested, or withdrawn in compliance with Section 807.055 (Divestment of Assets);

(2) identifies all prohibited investments under Section 807.058 (Prohibited Investments); and

(3) summarizes any changes made under Section 807.056 (Investments Exempted from Divestment).

SECTION 5. Effective date: September 1, 2015.