

**SUBJECT:** Exempting certain companies from Israel boycott investment restrictions

**COMMITTEE:** State Affairs — favorable, without amendment

**VOTE:** 13 ayes — Phelan, Hernandez, Deshotel, Guerra, Harless, Holland,  
Hunter, P. King, Parker, Raymond, E. Rodriguez, Smithee, Springer

0 nays

**WITNESSES:** For — Sandra Parker, CUFI Action Fund; Mark Ramsey, Republican Party of Texas, SREC SD7; Kim Polner; (*Registered, but did not testify*: Adam Cahn, Cahnman's Musings; Michael Cassidy, Tamara Colbert, Paul Hodson, Peter Morales, and Shelby Williams, Convention of States; David Hazzan, Israeli American Council; Robin Lennon, Kingwood TEA Party Inc.; Terry Harper, RPT; and 37 individuals)

Against — Haseeb Abdullah; Bahia Amawi; Sammy Homs; Abraham Younes; (*Registered, but did not testify*: Maira Sheikh, CAIR Austin; Saad Quraishi, IndoPak Grocers; and nine individuals)

On — (*Registered, but did not testify*: Ryan Vassar, Office of the Attorney General; Whitney Blanton, Texas Treasury Safekeeping Trust Company)

**BACKGROUND:** The 85th Legislature in 2017 enacted HB 89 by P. King, which prohibits government contracts with companies that boycott Israel.

**DIGEST:** HB 793 would exclude sole proprietorships from the state's prohibition on contracts with companies that boycott Israel.

The bill would exempt certain companies from the requirement to verify in writing when contracting with a governmental entity that the company does not boycott Israel and will not boycott Israel during the term of the contract. The written verification requirement would apply only to companies with 10 or more full-time employees that had a contract value of \$100,000 or more that was to be paid wholly or partly from the governmental entity's public funds.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2019.

**SUPPORTERS  
SAY:**

HB 793 would clarify that the 2017 law prohibiting tax dollars from going to companies that were economically boycotting Israel was not intended to affect individuals and smaller contracts. The 2017 law was intended to apply to large enterprises and contracts where a company's activity could hurt Israel's economy.

The Legislature last session passed the law as an appropriate response to the Boycott, Divestment and Sanctions (BDS) movement, an international effort to use economic sanctions to influence the policy of Israel, a key U.S. ally and Texas trading partner. A federal court this year upheld a similar Arkansas law that forbids state agencies from contracting with companies that boycott Israel.

**OPPONENTS  
SAY:**

Instead of exempting individuals and smaller companies from the anti-boycott law, the Legislature should repeal it. Economic boycotts are a commonly used nonviolent method for concerned citizens to seek change and express their views, and the law violates the free speech rights of Texans.