

BILL SUMMARY
1st Session of the 58th Legislature

Bill No.:	HB2034
Version:	SAHB
Request Number:	
Author:	McBride
Date:	5/4/2022
Impact:	Please see previous summary of this measure

Research Analysis

The Senate amendments to HB 2034 creates the Energy Discrimination Elimination Act of 2022. The measure requires the Treasurer to maintain and provide to each state governmental entity a list of financial companies that boycott energy companies. Each state governmental entity is to notify the Treasurer of the listed financial companies in which the governmental entity owns direct holdings or indirect holdings. The state governmental entity is to also send a written notice to the financial company warning that it may become subject to divestment and offer the company the opportunity to clarify its activities. A state governmental entity must divest of at least 50% of the assets of a listed financial company within 180 days of the financial company receiving notice and 100% of the assets within 360 days after notice. A state governmental entity may cease divesting from a listed financial company if clear and convincing evidence shows that the governmental entity has or will suffer a loss in the value of assets; or an individual portfolio that uses a benchmark-aware strategy would be subject to an aggregate expected deviation from its benchmark as a result of having to divest from the financial company. The measure requires each state governmental entity to file a report with the Treasurer, the Legislature and the Attorney General that identifies securities sold, redeemed, divested, or withdrawn from a listed financial company; identify prohibited investments; summarize any changes made due to evidence that the entity may suffer a loss in value of assets or the use of a benchmark-aware strategy subject to an aggregate expected deviation.

Prepared By: Brad Wolgamott

Fiscal Analysis

The measure is currently under review and impact information will be completed.

Prepared By: Mark Tygret

Other Considerations

None.