

**Bill Summary**  
1<sup>st</sup> Session of the 58<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 2034</b>
<b>Version:</b>	<b>CS</b>
<b>Request No.:</b>	<b>3828</b>
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**Bill Analysis**

HB 2034 creates the Energy Discrimination Elimination Act of 2022. The measure directs the State Treasurer or their designee (Treasurer) to prepare a list of financial holdings boycotting energy companies. The Treasurer may request written verification from a financial company that it does not boycott energy companies and rely, as appropriate in the Treasurer's judgment and without conducting further investigation, research, or inquiry, on a financial company's written response to the request. Companies that fail to send the verification within 61 days of the request will be presumed to have boycotted energy companies. The list shall be updated annually and shall be filed with the Legislature and Attorney General. Government entities shall not be subject to the requirements of this measure if such entities determine that the requirements of this measure would be inconsistent with their fiduciary responsibility with respect to the investment of entity assets or other duties imposed by law relating to the investment of entity assets.

State government entities with holdings in companies on the list shall notify Treasurer and warn such companies that it may be subject to divestment. The company has 90 days to cease its boycotting activities to avoid divestment. The measure outlines the method the state entity will use to divest from the company. The entity may delay divestment if such an action will likely result in a loss in value or a benchmark deviation but must submit a report to the Legislature and Attorney General justifying the delay. The report must be updated every 6 months. State government entities shall not be required to divest from any indirect holdings in actively or passively managed investment funds or private equity funds; provided, state government entities must submit letters to the managers of each investment fund containing listed financial companies requesting that they remove those financial companies from the fund or create a similar actively or passively managed fund with indirect holdings devoid of listed financial companies. The measure also each state governmental entity to file a publicly available report with the presiding officer of each house of the Legislature and the Attorney General that contains the information outlined in the measure.

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