

BILL SUMMARY
2nd Session of the 59th Legislature

Bill No.:	SB1453
Version:	FA1
Request Number:	
Author:	Rep. Newton
Date:	4/25/2024
Impact:	\$0

Research Analysis

The floor substitute for SB1453 expands the application of the Energy Discrimination Act of 2022 to private financial firms and adds boycotts against timber, mining and agricultural companies as a reason to be included as a listed financial company.

The measure also amends the standard for contract termination with a listed financial company or divestment of public money that is held, managed or advised by a listed financial company. In order to be exempt from the act, the entity and State Treasurer must be in agreement that divestment would lead to a *materially negative financial impact* for the entity. To be considered materially negative, the estimated cost to divest must be greater than 0.05% per year of the net asset value of the entity's total holdings and cannot include administrative costs. Without agreement from the State Treasurer, no government entity can exempt itself because of fiduciary concerns.

Furthermore, the measure updates the reporting requirement for all stakeholders involved and clarifies the timeline for divestment or selection of an alternative investment option.

Lastly, the measure removes the contracting prohibition for political subdivisions. The contracting prohibition is applicable to all state agencies, whereas the investment divestment is only applicable to state retirement systems.

CHANGES IN FLOOR SUBSTITUTE VERSION FROM ENGROSSED VERSION

The floor substitute is all new language related to the Energy Discrimination Act of 2022. It completely replaces the previous engrossed language dealing the opioid abatement grants.

Prepared By: Quyen Do

Fiscal Analysis

The FA1 to this measure deletes all previous language. As written in its current form, it will not create a fiscal impact for the state.

Prepared By: Robert Flipping IV, House Fiscal Staff

Other Considerations

None.

