



206704

LEGISLATIVE ACTION

Senate

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House

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Floor: 1/AD/2R

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04/26/2023 10:31 AM

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Senator Hooper moved the following:

Senate Amendment (with title amendment)

Delete lines 262 - 350

and insert:

controlled territories. The term includes trade practices that
are prohibited by federal regulations issued in compliance with
50 U.S.C. s. 4842 and does not include trade practices that are
preempted by federal law ~~The term does not include restrictive~~
~~trade practices or boycotts fostered or imposed by foreign~~
~~countries against Israel.~~

(b) "Company" means a sole proprietorship, organization,



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12 association, corporation, partnership, joint venture, limited
13 partnership, limited liability partnership, limited liability
14 company, or other entity or business association, including all
15 wholly owned subsidiaries, majority-owned subsidiaries, and
16 parent companies, that exists for the purpose of making profit.

17 (c) "Direct holdings" in a company means all securities of
18 that company that are held directly by the public fund or in an
19 account or fund in which the public fund owns all shares or
20 interests.

21 (d) "Indirect holdings" in a company means all securities
22 of that company that are held in a commingled fund or other
23 collective investment, such as a mutual fund, in which the
24 public fund owns shares or interests, together with other
25 investors not subject to this section or which are held in an
26 index fund.

27 (e) "Public fund" means all funds, assets, trustee, and
28 other designates under the State Board of Administration
29 pursuant to part I of chapter 121.

30 (f) "Scrutinized companies" means companies that boycott
31 Israel or engage in a boycott of Israel.

32 (2) IDENTIFICATION OF COMPANIES.—

33 (a) The public fund shall make its best efforts to identify
34 all scrutinized companies in which the public fund has direct or
35 indirect holdings or could possibly have such holdings in the
36 future. Such efforts include:

37 1. To the extent that the public fund finds it appropriate,
38 reviewing and relying on publicly available information
39 regarding companies that boycott Israel, including information
40 provided by nonprofit organizations, research firms,



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41 international organizations, and government entities;

42 2. Contacting asset managers contracted by the public fund
43 for information regarding companies that boycott Israel; or

44 3. Contacting other institutional investors that prohibit
45 such investments or that have engaged with companies that
46 boycott Israel.

47 (b) By the first meeting of the public fund following the
48 identification of scrutinized companies in accordance with
49 paragraph (a), the public fund shall compile and make available
50 the "Scrutinized Companies that Boycott Israel List."

51 (c) The public fund shall update and make publicly
52 available quarterly the Scrutinized Companies that Boycott
53 Israel List based on evolving information from, among other
54 sources, those listed in paragraph (a).

55 (3) REQUIRED ACTIONS.—The public fund shall adhere to the
56 following procedures for assembling companies on the Scrutinized
57 Companies that Boycott Israel List.

58 (a) *Engagement.*—

59 1. The public fund shall immediately determine the
60 companies on the Scrutinized Companies that Boycott Israel List
61 in which the public fund owns direct or indirect holdings.

62 2. For each company newly identified under this paragraph,
63 the public fund shall send a written notice informing the
64 company of its scrutinized company status and that it may become
65 subject to investment prohibition or divestment by the public
66 fund. The notice must inform the company of the opportunity to
67 clarify its activities regarding the boycott of Israel and
68 encourage the company to cease the boycott of Israel within 90
69 days in order to avoid qualifying for investment prohibition or



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70 divestment.

71 3. If, within 90 days after the public fund's first
72 engagement with a company pursuant to this paragraph, the
73 company ceases a boycott of Israel, the company shall be removed
74 from the Scrutinized Companies that Boycott Israel List, and the
75 provisions of this section shall cease to apply to that company
76 unless that company resumes a boycott of Israel.

77 (b) Divestment.—

78 1. If, after 90 days following the public fund's first
79 engagement with a company pursuant to paragraph (a), the company
80 continues to boycott Israel, the public fund must sell, redeem,
81 divest, or withdraw all publicly traded securities of the
82 company from the public fund within 12 months after the
83 company's most recent appearance on the Scrutinized Companies
84 that Boycott Israel List.

85 2. If a company that ceased a boycott of Israel following
86 engagement pursuant to paragraph (a) resumes such activities,
87 this paragraph immediately applies, and the public fund must
88 send a written notice to the company. The company must also be
89 immediately reintroduced onto the Scrutinized Companies that
90 Boycott Israel List, as applicable.

91 (c) ~~(b)~~ Prohibition.—The public fund is prohibited from
92 acquiring ~~may not acquire~~ securities of companies on the
93 Scrutinized Companies that Boycott Israel List, except as
94 provided in paragraph (d) ~~(e)~~ and subsection (6).

95 (d) ~~(e)~~ Excluded securities.—Notwithstanding the provisions
96 of this section, paragraphs (b) and (c) do paragraph (b) does
97 not apply to:

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99 ===== T I T L E A M E N D M E N T =====

100 And the title is amended as follows:

101 Delete line 52

102 and insert:

103 procedures; revising applicability; reenacting ss.

104 112.661(5)(a),