

Amendment No.

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	_____	(Y/N)
ADOPTED AS AMENDED	_____	(Y/N)
ADOPTED W/O OBJECTION	_____	(Y/N)
FAILED TO ADOPT	_____	(Y/N)
WITHDRAWN	_____	(Y/N)
OTHER		

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1 Committee/Subcommittee hearing bill: State Affairs Committee  
 2 Representative Stevenson offered the following:

**Amendment (with title amendment)**

Between lines 227 and 228, insert:

Section 4. Subsections (1), (3), (4), and (6) of section 215.4725, Florida Statutes, are amended to read:

215.4725 Prohibited investments by the State Board of Administration; companies that boycott Israel.-

(1) DEFINITIONS.—As used in this section, the term:

(a) "Boycott Israel" or "boycott of Israel" means refusing to deal, terminating business activities, or taking other actions to limit commercial relations with Israel, or persons or entities doing business in Israel or in Israeli-controlled territories, in a discriminatory manner. A statement by a company that it is participating in a boycott of Israel, or that

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17 it has initiated a boycott in response to a request for a  
18 boycott of Israel or in compliance with, or in furtherance of,  
19 calls for a boycott of Israel, may be considered by the State  
20 Board of Administration to be evidence that a company is  
21 participating in a boycott of Israel. The term includes taking  
22 adverse action, including changes to published commercial  
23 financial ratings, risk ratings, and controversy ratings based  
24 on non-pecuniary factors, to inflict economic harm on Israel or  
25 persons or entities doing business in Israel or in Israeli-  
26 controlled territories. The term includes trade practices that  
27 are prohibited by federal regulations issued in compliance with  
28 50 U.S.C. s. 4842 and does not include trade practices that are  
29 preempted by federal law. ~~The term does not include restrictive~~  
30 ~~trade practices or boycotts fostered or imposed by foreign~~  
31 ~~countries against Israel.~~

32 (b) "Company" means a sole proprietorship, organization,  
33 association, corporation, partnership, joint venture, limited  
34 partnership, limited liability partnership, limited liability  
35 company, or other entity or business association, including all  
36 wholly owned subsidiaries, majority-owned subsidiaries, and  
37 parent companies, that exists for the purpose of making profit.

38 (c) "Direct holdings" in a company means all securities of  
39 that company that are held directly by the public fund or in an  
40 account or fund in which the public fund owns all shares or  
41 interests.

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42 (d) "Indirect holdings" in a company means all securities  
43 of that company that are held in a commingled fund or other  
44 collective investment, such as a mutual fund, in which the  
45 public fund owns shares or interests, together with other  
46 investors not subject to this section or which are held in an  
47 index fund.

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

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

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

56 (a) Engagement.—

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

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

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67 days in order to avoid qualifying for investment prohibition or  
68 divestment.

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

75 (b) Divestment.—

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

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

89 (c) ~~(b)~~ Prohibition.—The public fund is prohibited from  
90 acquiring ~~may not acquire~~ securities of companies on the

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91 Scrutinized Companies that Boycott Israel List, except as  
92 provided in paragraph (d)~~(e)~~ and subsection (6).

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

96 1. Indirect holdings. However, the public fund shall  
97 submit letters to the managers of such investment funds  
98 containing companies that boycott Israel requesting that they  
99 consider removing such companies from the fund or create a  
100 similar fund having indirect holdings devoid of such companies.  
101 If the manager creates a similar fund, the public fund shall  
102 replace all applicable investments with investments in the  
103 similar fund in an expedited timeframe consistent with prudent  
104 investing standards. For the purposes of this section, an  
105 alternative investment, as the term is defined in s. 215.4401,  
106 and securities that are not publicly traded are deemed to be  
107 indirect holdings.

108 2. Exchange-traded funds.

109 (4) REPORTING.—

110 (a) The public fund shall file a report with each member  
111 of the Board of Trustees of the State Board of Administration,  
112 the President of the Senate, and the Speaker of the House of  
113 Representatives which includes the Scrutinized Companies that  
114 Boycott Israel List within 30 days after the list is created.  
115 This report shall be made available to the public.

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116 (b) At each quarterly meeting of the Board of Trustees  
117 thereafter, the public fund shall file a report, which shall be  
118 made available to the public and to each member of the Board of  
119 Trustees of the State Board of Administration, the President of  
120 the Senate, and the Speaker of the House of Representatives,  
121 which includes:

122 1. A summary of correspondence with companies engaged by  
123 the public fund under subsection (3) subparagraph (3)(a)2.;

124 2. All investments sold, redeemed, divested, or withdrawn  
125 in compliance with paragraph (3)(b);

126 3. All prohibited investments under paragraph (3) (c)(b);

127 4.3. Any progress made under paragraph (3) (d)(e); and

128 5.4. A list of all publicly traded securities held  
129 directly by the public fund.

130 (6) INVESTMENT AND REINVESTMENT IN CERTAIN SCRUTINIZED  
131 COMPANIES.—Notwithstanding any other provision of this section,  
132 the public fund may invest in, cease divestment from, or  
133 reinvest in, certain scrutinized companies if clear and  
134 convincing evidence shows that the value of all assets under  
135 management by the public fund becomes equal to or less than  
136 99.50 percent, or 50 basis points, of the hypothetical value of  
137 all assets under management by the public fund, assuming no  
138 investment prohibition or divestment for any company had  
139 occurred under subsection (3) paragraph (3)(b). Cessation of the  
140 investment prohibition or divestment, reinvestment, or and any

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141 new investment in a scrutinized company is limited to the  
142 minimum steps necessary to avoid the contingency described in  
143 this subsection. For any cessation of the investment prohibition  
144 or divestment, reinvestment, or ~~and~~ new investment authorized by  
145 this subsection, the public fund shall provide a written report  
146 to each member of the Board of Trustees of the State Board of  
147 Administration, the President of the Senate, and the Speaker of  
148 the House of Representatives in advance of the cessation of  
149 investment prohibition or divestment, reinvestment, or new  
150 investment, updated semiannually thereafter as applicable,  
151 setting forth the reasons and justification, supported by clear  
152 and convincing evidence, for its decisions to cease the  
153 investment prohibition or divestment, or to reinvest in  
154 scrutinized companies.

155 -----  
156  
157 **T I T L E A M E N D M E N T**

158 Remove line 38 and insert:

159 investments; amending s. 215.4725, F.S.; amending the definition  
160 of the terms "Boycott Israel" or "boycott of Israel"; requiring  
161 the public fund to notify companies it places on the Scrutinized  
162 Companies that Boycott Israel List that they may be subject to  
163 divestment; providing a timeframe for the public fund's  
164 divestment from companies that boycott Israel, and processes for  
165 the companies' reintroduction on the Scrutinized Companies that

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COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. CS/HB 1139 (2023)

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166 | Boycott Israel List in certain circumstances; authorizing the  
167 | public fund to cease its divestment from or reinvest in certain  
168 | scrutinized companies if the value of all assets under  
169 | management by the public fund becomes equal to or less than a  
170 | specified amount, pursuant to specified procedures; reenacting  
171 | ss. 112.661(5) (a),