

By: Bettencourt, et al.

S.B. No. 1817

A BILL TO BE ENTITLED

AN ACT

relating to investments in certain companies doing business in the Russian Federation.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 2270.0001(9), Government Code, is amended to read as follows:

(9) "Scrutinized company" means:

(A) a company that:

(i) engages in scrutinized business operations described by Section 2270.0052; or

(ii) has been complicit in the Darfur genocide during any preceding 20-month period;

(B) a company that engages in scrutinized business operations described by Section 2270.0102; ~~and~~

(C) a company that engages in scrutinized business operations described by Section 2270.0152; and

(D) a company that engages in scrutinized business operations described by Section 2270.0162.

SECTION 2. Section 2270.0002, Government Code, is amended to read as follows:

Sec. 2270.0002. EXCEPTION. (a) Notwithstanding any other law, a company that the United States government affirmatively declares to be excluded from its federal sanctions regime relating to Sudan, its federal sanctions regime relating to Iran, or any

1 federal sanctions regime relating to a designated foreign terrorist  
2 organization is not subject to divestment or investment prohibition  
3 under this chapter.

4 (b) Notwithstanding any other law, a company that complies  
5 with the United States government federal sanctions regime relating  
6 to the Russian Federation, including any exemption or federal  
7 guidance, is not subject to divestment or investment prohibition  
8 under this chapter.

9 SECTION 3. Chapter 2270, Government Code, is amended by  
10 adding Subchapter D-1 to read as follows:

11 SUBCHAPTER D-1. GENERAL PROVISIONS RELATING TO INVESTMENTS IN  
12 RUSSIAN FEDERATION

13 Sec. 2270.0161. DEFINITION. In this subchapter, "business  
14 operations" means engaging in commerce in any form in the Russian  
15 Federation, including by acquiring, developing, maintaining,  
16 owning, selling, possessing, leasing, or operating equipment,  
17 facilities, personnel, products, services, personal property, real  
18 property, or any other apparatus of business or commerce.

19 Sec. 2270.0162. SCRUTINIZED BUSINESS OPERATIONS IN RUSSIAN  
20 FEDERATION. A company engages in scrutinized business operations  
21 in the Russian Federation if the company has business operations  
22 that involve contracts with or providing supplies or services to  
23 the government of the Russian Federation, a company in which the  
24 government of the Russian Federation has any direct or indirect  
25 equity share, a consortium or project commissioned by the  
26 government of the Russian Federation, or a company involved in a  
27 consortium or project commissioned by the government of the Russian

1 Federation.

2 SECTION 4. Section 2270.0201, Government Code, is amended  
3 by amending Subsections (a) and (b) and adding Subsection (b-1) to  
4 read as follows:

5 (a) The comptroller shall prepare and maintain a list of all  
6 scrutinized companies. The list must be categorized according to:

7 (1) companies that are scrutinized companies under  
8 Section 2270.0001(9)(A);

9 (2) companies that are scrutinized companies under  
10 Section 2270.0001(9)(B); ~~and~~

11 (3) companies that are scrutinized companies under  
12 Section 2270.0001(9)(C); and

13 (4) companies that are scrutinized companies under  
14 Section 2270.0001(9)(D).

15 (b) In maintaining the list of scrutinized companies under  
16 Subsection (a), the comptroller may review and rely, as appropriate  
17 in the comptroller's judgment, on publicly available information  
18 regarding companies with business operations in Sudan, in Iran,  
19 ~~or~~ with designated foreign terrorist organizations, or in the  
20 Russian Federation, as applicable, including information provided  
21 by the state, nonprofit organizations, research firms,  
22 international organizations, and governmental entities.

23 (b-1) The governor shall periodically consult with the  
24 Homeland Security Council, established under Subchapter B, Chapter  
25 421, to review whether a company that is a scrutinized company under  
26 Section 2270.0001(9)(D) should be included or continue to be  
27 included on the list of scrutinized companies maintained under this

1 section and may, after consulting with the council, direct the  
2 comptroller to remove a company from the list.

3 SECTION 5. Section 2270.0203, Government Code, is amended  
4 to read as follows:

5 Sec. 2270.0203. NOTICE TO LISTED COMPANY ENGAGED IN  
6 INACTIVE BUSINESS OPERATIONS. For each listed company identified  
7 under Section 2270.0202 that is engaged in only inactive  
8 scrutinized business operations, the investing entity shall send a  
9 written notice informing the company of this chapter and  
10 encouraging the company to continue to refrain from initiating  
11 active business operations in Sudan, in Iran, ~~and~~ with designated  
12 foreign terrorist organizations, and in the Russian Federation  
13 until it is able to avoid being considered a listed company. The  
14 investing entity shall continue the correspondence as the entity  
15 considers necessary, but is not required to initiate correspondence  
16 more often than semiannually.

17 SECTION 6. Section 2270.0204(b), Government Code, is  
18 amended to read as follows:

19 (b) The notice shall offer the company the opportunity to  
20 clarify its Sudan-related, Iran-related, ~~or~~ designated foreign  
21 terrorist organization-related, or Russian Federation-related  
22 activities, as applicable, and shall encourage the company, not  
23 later than the 90th day after the date the company receives notice  
24 under this section, to either cease all scrutinized business  
25 operations as described by Sections 2270.0052, 2270.0102, ~~and~~  
26 2270.0152, and 2270.0162, or convert such operations to inactive  
27 business operations in order to avoid qualifying for divestment by

1 investing entities.

2           SECTION 7. Not later than the 180th day after the effective  
3 date of this Act, the comptroller of public accounts shall include  
4 the companies described by Section 2270.0201(a)(4), Government  
5 Code, as added by this Act, on the list under Section 2270.0201(a),  
6 Government Code.

7           SECTION 8. This Act takes effect immediately if it receives  
8 a vote of two-thirds of all the members elected to each house, as  
9 provided by Section 39, Article III, Texas Constitution. If this  
10 Act does not receive the vote necessary for immediate effect, this  
11 Act takes effect September 1, 2023.