

1-1 By: Hughes S.B. No. 2530  
1-2 (In the Senate - Filed March 10, 2023; March 23, 2023, read  
1-3 first time and referred to Committee on Natural Resources &  
1-4 Economic Development; April 27, 2023, reported adversely, with  
1-5 favorable Committee Substitute by the following vote: Yeas 8,  
1-6 Nays 1; April 27, 2023, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	<u>Birdwell</u>	X		
1-10	<u>Zaffirini</u>		X	
1-11	<u>Alvarado</u>	X		
1-12	<u>Blanco</u>	X		
1-13	<u>Hancock</u>	X		
1-14	<u>Hughes</u>	X		
1-15	<u>Kolkhorst</u>	X		
1-16	<u>Miles</u>	X		
1-17	<u>Sparks</u>	X		

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 2530 By: Hughes

1-19 A BILL TO BE ENTITLED  
1-20 AN ACT

1-21 relating to contracts with and investments in companies that  
1-22 boycott certain energy companies.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Sections 809.001(1) and (4), Government Code,  
1-25 are amended to read as follows:

1-26 (1) "Boycott energy company" means, without an  
1-27 ordinary business purpose, refusing to deal with, terminating  
1-28 business activities with, or otherwise taking any action that is  
1-29 intended to penalize, inflict economic harm on, or limit commercial  
1-30 relations with a company because the company:

1-31 (A) engages in the exploration, production,  
1-32 utilization, transportation, sale, or manufacturing of fossil  
1-33 fuel-based energy [~~and does not commit or pledge to meet~~  
1-34 ~~environmental standards beyond applicable federal and state law~~];  
1-35 or

1-36 (B) does business with a company described by  
1-37 Paragraph (A).

1-38 (4) "Financial company" means a publicly traded:

1-39 (A) financial services, banking, or investment  
1-40 company; or

1-41 (B) mutual fund or exchange-traded fund,  
1-42 including a money market mutual fund or a government mutual fund.

1-43 SECTION 2. Section 809.101, Government Code, is amended to  
1-44 read as follows:

1-45 Sec. 809.101. REPORT. (a) In this section, "affiliate"  
1-46 means a person who controls, is controlled by, or is under common  
1-47 control with another person.

1-48 (b) Not later than January 5 of each year, each state  
1-49 governmental entity shall file a publicly available report with the  
1-50 presiding officer of each house of the legislature, the  
1-51 comptroller, and the attorney general that:

1-52 (1) identifies all:

1-53 (A) securities sold, redeemed, divested, or  
1-54 withdrawn in compliance with Section 809.054;

1-55 (B) [~~(2) identifies all~~] prohibited investments  
1-56 under Section 809.057;

1-57 (C) contracts with a listed financial company;  
1-58 and

1-59 (D) contracts with an affiliate of a listed  
1-60 financial company; and

2-1 (2) [~~3~~] summarizes any changes made under Section  
2-2 809.055.

2-3 SECTION 3. Chapter 809, Government Code, is amended by  
2-4 adding Subchapter D to read as follows:

2-5 SUBCHAPTER D. CONTRACTS WITH COMPANIES BOYCOTTING CERTAIN ENERGY  
2-6 COMPANIES

2-7 Sec. 809.151. PROVISION REQUIRED IN CONTRACT. (a) In  
2-8 this section, "affiliate" has the meaning assigned by Section  
2-9 809.101.

2-10 (b) This section applies only to a contract that:  
2-11 (1) is between a state governmental entity and a  
2-12 company with 10 or more full-time employees; and

2-13 (2) has a value of \$100,000 or more that is to be paid  
2-14 wholly or partly from public funds of the state governmental  
2-15 entity.

2-16 (c) Except as provided by Subsection (d), a state  
2-17 governmental entity may not enter into a contract with a company for  
2-18 goods or services unless the contract contains a written  
2-19 verification from the company that it:

2-20 (1) does not boycott energy companies;

2-21 (2) will not boycott energy companies during the term  
2-22 of the contract;

2-23 (3) is not a listed financial company; and

2-24 (4) is not an affiliate of a listed financial company.

2-25 (d) Subsection (c) does not apply to a state governmental  
2-26 entity that determines the requirements of Subsection (c) are  
2-27 inconsistent with the state governmental entity's constitutional  
2-28 or statutory duties related to the issuance, incurrence, or  
2-29 management of debt obligations or the deposit, custody, management,  
2-30 borrowing, or investment of funds.

2-31 SECTION 4. Subchapter D, Chapter 809, Government Code, as  
2-32 added by this Act, applies only to a contract entered into on or  
2-33 after the effective date of this Act. A contract entered into  
2-34 before that date is governed by the law in effect on the date the  
2-35 contract was entered into, and the former law is continued in effect  
2-36 for that purpose.

2-37 SECTION 5. This Act takes effect September 1, 2023.

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