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H.B. No. 815

A BILL TO BE ENTITLED

AN ACT

relating to a prohibition on the investment of state funds in private business entities doing business in Sudan.

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

SECTION 1. Subtitle F, Title 10, Government Code, is amended by adding Chapter 2264 to read as follows:

CHAPTER 2264. PROHIBITION ON INVESTMENT IN SUDAN

Sec. 2264.001. APPLICABILITY OF CHAPTER. (a) This chapter applies in connection with the management or investment of state funds managed or invested:

(1) under the Texas Constitution or other law, including Chapters 404 and 2256; and

(2) by or for:

(A) a public retirement system as defined by Section 802.001 that provides service retirement, disability retirement, or death benefits for officers or employees of the state;

(B) an institution of higher education as defined by Section 61.003, Education Code; or

(C) another entity that is part of state government and that manages or invests state funds or for which state funds are managed or invested.

(b) This chapter applies in connection with the management or investment of state funds without regard to whether the funds are

1 held in the state treasury.

2 (c) This chapter does not apply to the extent that an
3 investment standard prescribed by the Texas Constitution prohibits
4 the legislature from restricting the investment of a fund or the
5 investment discretion of an entity responsible for the management
6 or investment of a fund.

7 Sec. 2264.002. PROHIBITION ON INVESTMENT IN SUDAN. State
8 funds may not be invested in equities or obligations of a private
9 corporation or other private business entity doing business in the
10 Democratic Republic of Sudan.

11 SECTION 2. Chapter 2264, Government Code, as added by this
12 Act, applies only to an investment made by or for a state
13 governmental entity on or after the effective date of this Act.

14 SECTION 3. This Act takes effect September 1, 2005.