87R215 KFF-D

By:  White H.B. No. 1657

A BILL TO BE ENTITLED

AN ACT

relating to prohibiting the investment of assets of the Employees Retirement System of Texas and the Teacher Retirement System of Texas in certain foreign business entities.

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

SECTION 1.  Subchapter D, Chapter 815, Government Code, is amended by adding Section 815.3013 to read as follows:

Sec. 815.3013.  PROHIBITED INVESTMENTS IN CERTAIN FOREIGN ENTITIES. (a) In this section:

(1)  "Domestic" means the United States or a state of the United States.

(2)  "Foreign business entity" means a business entity formed under, and the internal affairs of which are governed by, the laws of a foreign jurisdiction.

(3)  "Foreign jurisdiction" means a country or other jurisdiction that is not the United States or a state of the United States.

(b)  The board of trustees, or any person to whom the board delegates its investment authority, may not invest the retirement system's assets in securities issued by a foreign business entity that does not adhere to or is not subject to generally accepted accounting, audit, or transparency standards similar to the standards applicable to comparable domestic business entities, as determined by the comptroller.

(c)  The comptroller shall adopt rules necessary to implement this section.

SECTION 2.  Subchapter D, Chapter 825, Government Code, is amended by adding Section 825.3013 to read as follows:

Sec. 825.3013.  PROHIBITED INVESTMENTS IN CERTAIN FOREIGN ENTITIES. (a) In this section:

(1)  "Domestic" means the United States or a state of the United States.

(2)  "Foreign business entity" means a business entity formed under, and the internal affairs of which are governed by, the laws of a foreign jurisdiction.

(3)  "Foreign jurisdiction" means a country or other jurisdiction that is not the United States or a state of the United States.

(b)  The board of trustees, or any person to whom the board delegates its investment authority, may not invest the retirement system's assets in securities issued by a foreign business entity that does not adhere to or is not subject to generally accepted accounting, audit, or transparency standards similar to the standards applicable to comparable domestic business entities, as determined by the comptroller.

(c)  The comptroller shall adopt rules necessary to implement this section.

SECTION 3.  This Act takes effect September 1, 2022.