87R216 KFF-D

By:  White H.B. No. 3047

A BILL TO BE ENTITLED

AN ACT

relating to requiring that deferred compensation plans provided by state agencies or institutions of higher education offer certain types of qualified investment products to employees participating in those plans.

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

SECTION 1.  Section 609.001, Government Code, is amended by adding Subdivisions (1-a) and (8-a) to read as follows:

(1-a)  "Chinese company" means a company that is headquartered in China or is a wholly owned subsidiary or majority-owned subsidiary of a company headquartered in China, regardless of whether:

(A)  the company's or its parent company's securities are publicly traded; or

(B)  the company or its parent company is listed as a Chinese company on a public stock exchange.

(8-a)  "Texas company" means a company:

(A)  formed or organized under the laws of this state;

(B)  that has a principal place of business in this state; or

(C)  that has an established physical presence in and employs residents of this state.

SECTION 2.  Subchapter C, Chapter 609, Government Code, is amended by adding Section 609.5045 to read as follows:

Sec. 609.5045.  CERTAIN INVESTMENT PRODUCT OFFERINGS REQUIRED. The board of trustees and the plan administrator shall ensure that at least one of each of the following types of qualified investment products is offered to employees participating in the deferred compensation plan:

(1)  a qualified investment product that excludes investment in Chinese companies; and

(2)  a qualified investment product that allows for at least some investment in Texas companies.

SECTION 3.  Subchapter D, Chapter 609, Government Code, is amended by adding Section 609.7075 to read as follows:

Sec. 609.7075.  CERTAIN INVESTMENT PRODUCT OFFERINGS REQUIRED. The board of trustees and the plan administrator shall ensure that at least one of each of the following types of qualified investment products is offered to employees participating in the deferred compensation plan:

(1)  a qualified investment product that excludes investment in Chinese companies; and

(2)  a qualified investment product that allows for at least some investment in Texas companies.

SECTION 4.  Not later than January 1, 2022, the board of trustees of the Employees Retirement System of Texas and each plan administrator responsible for administering a deferred compensation plan under Subchapter C or D, Chapter 609, Government Code, as amended by this Act, shall ensure the respective plans offer qualified investment products that comply with Sections 609.5045 and 609.7075, Government Code, as added by this Act, as applicable.

SECTION 5.  This Act takes effect September 1, 2021.