

By: White

H.B. No. 1657

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to prohibiting the investment of assets of the Employees  
3 Retirement System of Texas and the Teacher Retirement System of  
4 Texas in certain foreign business entities.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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