

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 8, 2025

TO: Honorable Ken King, Chair, House Committee on State Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB667 by Hughes (Relating to prohibiting certain state governmental entities from investing in certain Chinese-affiliated entities.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would prohibit certain state governmental entities from investing in certain Chinese-affiliated entities. The governmental entities affected by the provisions of the bill would not be subject to the requirements if they determined the requirements would be inconsistent with their fiduciary responsibilities. Under the provisions of the bill, the Comptroller of Public Accounts would be required to prepare and maintain a list of all restricted entities, and the Office of the Attorney General would be authorized to bring any action necessary to enforce compliance.

According to the Employees Retirement System of Texas and the Texas Permanent School Fund Corporation, the bill would have no significant fiscal impact. According to the Teacher Retirement System, the financial impact to investment returns cannot be determined.

This analysis assumes that costs to the Comptroller of Public Accounts and the Office of the Attorney General from the provisions of the bill could be absorbed within existing resources.

Local Government Impact

According to the Texas County and District Retirement System, the bill would have no significant fiscal impact. According to the Texas Municipal Retirement System, the affected investments are a very small portion of the system's portfolio, but the impact on the expected return on investments cannot be determined.

Source Agencies: 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 323 Teacher Retirement System, 327 Employees Retirement System, 338 Pension Review Board, 706 Texas Permanent School Fund Corporation

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