

By: Representatives Bell (21st), Snowden,
Zuber, Smith, Arnold, Byrd, Reynolds, Willis

To: Appropriations

HOUSE BILL NO. 761
(As Passed the House)

1 AN ACT TO BE KNOWN AS THE "ISRAEL SUPPORT ACT OF 2019"; TO
2 DEFINE CERTAIN TERMS USED IN THE ACT; TO REQUIRE THE EXECUTIVE
3 DIRECTOR OF THE DEPARTMENT OF FINANCE AND ADMINISTRATION TO
4 DEVELOP AND PUBLISH A LIST OF SCRUTINIZED COMPANIES THAT BOYCOTT
5 ISRAEL; TO PROHIBIT THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND
6 THE STATE TREASURER FROM INVESTING WITH COMPANIES ON SUCH LIST; TO
7 HOLD HARMLESS OFFICERS, EMPLOYEES AND AGENTS OF THE RETIREMENT
8 SYSTEM AND STATE TREASURER'S OFFICE FOR CLAIMS ARISING FROM
9 DECISIONS TO RESTRICT INVESTMENTS UNDER THIS ACT; AND FOR RELATED
10 PURPOSES.

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

12 **SECTION 1. Short title.** This act shall be known and may be
13 cited as the "Israel Support Act of 2019."

14 **SECTION 2. Definitions.** As used in this act, the following
15 words and phrases shall have the meanings ascribed in this section
16 unless the context clearly indicates otherwise:

17 (a) "Boycott Israel" or "boycott of Israel" means
18 refusing to deal, terminating business activities, or taking other
19 actions to limit commercial relations with Israel, or persons or
20 entities doing business in Israel or in Israeli-controlled
21 territories, in a discriminatory manner. A statement by a company
22 that it is participating in a boycott of Israel, or that it has



23 initiated a boycott in response to a request for a boycott of
24 Israel or in compliance with, or in furtherance of, calls for a
25 boycott of Israel, may be considered by the public fund to be
26 evidence that a company is participating in a boycott of Israel.
27 The term does not include restrictive trade practices or boycotts
28 fostered or imposed by foreign countries against Israel.

29 (b) "Company" means an organization, association,
30 corporation, partnership, joint venture, limited partnership,
31 limited liability partnership, limited liability company, or other
32 entity or business association, including all wholly owned
33 subsidiaries, majority-owned subsidiaries, and parent companies,
34 that exists for the purpose of making profit.

35 (c) "Expense" means all explicit costs associated with
36 divesting of investments, including, but not limited to, trading
37 costs, brokerage commissions, and any realized losses, and all
38 implicit costs, including, but not limited to, lost opportunity
39 costs resulting from the prohibition from making certain
40 investments.

41 (d) "Investment" means a commitment or contribution of
42 funds or property, whatever the source, a loan or other extension
43 of credit, and the entry into or renewal of a contract for goods
44 or services. The term "investment" does not include indirect
45 beneficial ownership through index funds, commingled funds,
46 limited partnerships, derivative instruments or the like.



47 (e) "Public fund" means the Public Employees'
48 Retirement System and the Treasurer's office.

49 (f) "Scrutinized companies" means companies that
50 boycott Israel or engage in a boycott of Israel.

51 **SECTION 3. Duties of the Executive Director of the**
52 **Department of Finance and Administration.** (1) (a) Before

53 December 31, 2019, the Executive Director of the Department of
54 Finance and Administration shall develop or contract to develop,
55 using credible information available to the public, a list of
56 companies determined to engage in a boycott of Israel, as
57 described in this section. When completed, the list must be
58 posted on the website of the Department of Finance and
59 Administration.

60 (b) The executive director shall update the list by
61 July 1 of every year.

62 (c) Before a company is included on the finalized
63 initial list or updated list, the executive director must do all
64 of the following:

65 (i) Provide ninety (90) days written notice of the
66 executive director's intent to include the company on the list.
67 The notice must inform the company that inclusion on the list will
68 make the company ineligible for investment by the State or Public
69 Employees Retirement System. The notice also must specify that
70 the company, if it ceases its boycott of Israel, may be removed
71 from the list.



72 (ii) The executive director shall provide a company
73 with an opportunity to comment in writing that it is not engaged
74 in a boycott of Israel. If the company demonstrates to the
75 executive director that the company is not engaged in a boycott of
76 Israel, the company shall not be included on the list.

77 (d) The executive director shall make every effort to
78 avoid including a company on the list erroneously.

79 **SECTION 4. Limitation on the Public Employees' Retirement**

80 **System and State Treasury Investments.** (1) The Public Employees'
81 Retirement System and the State Treasurer may not invest funds
82 with a company that is identified on a list created pursuant to
83 Section 3 of this act as a company engaging in a boycott of
84 Israel.

85 (2) Any existing investments in violation of this act as of
86 July 1, 2020, must be divested when prudent to do so but not later
87 than one hundred twenty (120) days after the posting is made on
88 the website of the Department of Finance and Administration.

89 **SECTION 5. Exception to investment prohibition.**

90 Notwithstanding the provisions of Section 4 of this act, an
91 investment may be made in a company engaged in a boycott of
92 Israel, on a case by case basis, if:

93 (a) The investment was made before December 31, 2019,
94 and the company has adopted, publicized and is implementing a
95 formal plan to cease the boycott of Israel and to refrain from
96 engaging in any new boycott of Israel; or



97 (b) The investor makes a determination that the
98 investments are necessary in order to perform its functions.

99 **SECTION 6. Limitation of act due to fiduciary obligations.**

100 Nothing in this act shall be construed to require the Public
101 Employees' Retirement System of Mississippi or the State Treasurer
102 or their agents to take any action as described in this act unless
103 it is determined, in good faith, that: the action described in
104 this act is consistent with the fiduciary responsibilities of the
105 Public Employees' Retirement System of Mississippi or the State
106 Treasurer or their agents; and there are appropriated funds of the
107 state to absorb the expenses necessary to implement this act.

108 **SECTION 7. Indemnification of employees and officials for**
109 **compliance with this act.** Present, future and former board

110 members, officers, employees and agents of the Public Employees'
111 Retirement System and the Department of Finance and
112 Administration, as well as present, future and former State
113 Treasurers, officers and employees of the State Treasurer and
114 agents retained by the State Treasurer, must be indemnified from
115 the State General Fund and held harmless by the state from all
116 claims, demands, suits, actions, damages, judgments, costs,
117 charges and expenses, including court costs and attorney's fees,
118 and against all liability, losses and damages of any nature
119 whatsoever that these present, future or former board members,
120 officers, employees, agents or contract investment managers shall



121 or may at any time sustain by reason of any decision to restrict,
122 reduce or eliminate investments pursuant to this act.

123 **SECTION 8.** This act shall stand repealed from and after July
124 1, 2024.

125 **SECTION 9.** This act shall take effect and be in force from
126 and after July 1, 2019.

