

By: Representatives Shanks, Aguirre

To: Banking and Financial Services

HOUSE BILL NO. 768

1 AN ACT TO REENACT SECTIONS 27-117-1 THROUGH 27-117-13,  
2 MISSISSIPPI CODE OF 1972, WHICH ARE THE ISRAEL SUPPORT ACT OF  
3 2019; TO AMEND SECTION 27-117-15, MISSISSIPPI CODE OF 1972, TO  
4 EXTEND THE DATE OF THE REPEALER ON THE ISRAEL SUPPORT ACT OF 2019;  
5 AND FOR RELATED PURPOSES.

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

7 **SECTION 1.** Section 27-117-1, Mississippi Code of 1972, is  
8 reenacted as follows:

9 27-117-1. **Short title.** This chapter shall be known and may  
10 be cited as the "Israel Support Act of 2019."

11 **SECTION 2.** Section 27-117-3, Mississippi Code of 1972, is  
12 reenacted as follows:

13 27-117-3. **Definitions.** As used in this chapter, the  
14 following words and phrases shall have the meanings ascribed in  
15 this section unless the context clearly indicates otherwise:

16 (a) "Boycott Israel" or "boycott of Israel" means  
17 refusing to deal, terminating business activities, or taking other  
18 actions to limit commercial relations with Israel, or persons or  
19 entities doing business in Israel or in Israeli-controlled



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

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

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

40 (d) "Investment" means a commitment or contribution of  
41 funds or property, whatever the source, a loan or other extension  
42 of credit, and the entry into or renewal of a contract for goods  
43 or services. The term "investment" does not include indirect



44 beneficial ownership through index funds, commingled funds,  
45 limited partnerships, derivative instruments or the like.

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

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

50 **SECTION 3.** Section 27-117-5, Mississippi Code of 1972, is  
51 reenacted as follows:

52 27-117-5. **Duties of the Executive Director of the Department**  
53 **of Finance and Administration.** (1) (a) Before December 31,  
54 2019, the Executive Director of the Department of Finance and  
55 Administration shall develop or contract to develop, using  
56 credible information available to the public, a list of companies  
57 determined to engage in a boycott of Israel, as described in this  
58 section. When completed, the list must be posted on the website  
59 of the Department of Finance and 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  
73 company with an opportunity to comment in writing that it is not  
74 engaged in a boycott of Israel. If the company demonstrates to  
75 the executive director that the company is not engaged in a  
76 boycott of 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.** Section 27-117-7, Mississippi Code of 1972, is  
80 reenacted as follows:

81 27-117-7. **Limitation on the Public Employees' Retirement**  
82 **System and State Treasury Investments.** (1) The Public Employees'  
83 Retirement System and the State Treasurer may not invest funds  
84 with a company that is identified on a list created pursuant to  
85 Section 27-117-5 as a company engaging in a boycott of Israel.

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

90 **SECTION 5.** Section 27-117-9, Mississippi Code of 1972, is  
91 reenacted as follows:

92 27-117-9. **Exception to investment prohibition.**



93 Notwithstanding the provisions of Section 27-117-7, an investment  
94 may be made in a company engaged in a boycott of Israel, on a case  
95 by case basis, if:

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

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

102 **SECTION 6.** Section 27-117-11, Mississippi Code of 1972, is  
103 reenacted as follows:

104 27-117-11. **Limitation of chapter due to fiduciary**  
105 **obligations.** Nothing in this chapter shall be construed to  
106 require the Public Employees' Retirement System of Mississippi or  
107 the State Treasurer or their agents to take any action as  
108 described in this chapter unless it is determined, in good faith,  
109 that: the action described in this chapter is consistent with the  
110 fiduciary responsibilities of the Public Employees' Retirement  
111 System of Mississippi or the State Treasurer or their agents; and  
112 there are appropriated funds of the state to absorb the expenses  
113 necessary to implement this chapter.

114 **SECTION 7.** Section 27-117-13, Mississippi Code of 1972, is  
115 reenacted as follows:

116 27-117-13. **Indemnification of employees and officials for**  
117 **compliance with this chapter.** Present, future and former board



118 members, officers, employees and agents of the Public Employees'  
119 Retirement System and the Department of Finance and  
120 Administration, as well as present, future and former State  
121 Treasurers, officers and employees of the State Treasurer and  
122 agents retained by the State Treasurer, must be indemnified from  
123 the State General Fund and held harmless by the state from all  
124 claims, demands, suits, actions, damages, judgments, costs,  
125 charges and expenses, including court costs and attorney's fees,  
126 and against all liability, losses and damages of any nature  
127 whatsoever that these present, future or former board members,  
128 officers, employees, agents or contract investment managers shall  
129 or may at any time sustain by reason of any decision to restrict,  
130 reduce or eliminate investments pursuant to this chapter.

131       **SECTION 8.** Section 27-117-15, Mississippi Code of 1972, is  
132 amended as follows:

133       27-117-15. This chapter shall stand repealed from and after  
134 July 1, \* \* \* 2027.

135       **SECTION 9.** This act shall take effect and be in force from  
136 and after July 1, 2024.

