

By: Representatives Shanks, Aguirre

To: Banking and Financial Services

HOUSE BILL NO. 768
(As Passed the House)

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 REMOVE THE REPEALER ON THE ISRAEL SUPPORT ACT OF 2019; AND FOR
5 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. * * * [Deleted]

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

