

**Adopted
COMMITTEE AMENDMENT NO 1 PROPOSED TO**

Senate Bill No. 2226

BY: Committee

**Amend by striking all after the enacting clause and inserting
in lieu thereof the following:**

13 **SECTION 1.** Section 27-117-15, Mississippi Code of 1972, is
14 amended as follows:

15 27-117-15. * * * [Deleted]

16 **SECTION 2.** Section 27-117-5, Mississippi Code of 1972, is
17 amended as follows:

18 27-117-5. **Duties of the Executive Director of the Department**
19 **of Finance and Administration.** (1) * * * Before December 31,
20 2019, the Executive Director of the Department of Finance and
21 Administration shall develop or contract to develop, using
22 credible information available to the public, a list of companies



23 determined to engage in a boycott of Israel, as described in this
24 section. When completed, the list must be posted on the website
25 of the Department of Finance and Administration.

26 (* * *2) The executive director shall update the list by
27 July 1 of every year.

28 (* * *3) Before a company is included on the finalized
29 initial list or updated list, the executive director must do all
30 of the following:

31 (* * *a) Provide ninety (90) days' written notice of
32 the executive director's intent to include the company on the
33 list. The notice must inform the company that inclusion on the
34 list will make the company ineligible for investment by the State
35 or Public Employees Retirement System. The notice also must
36 specify that the company, if it ceases its boycott of Israel, may
37 be removed from the list.

38 (* * *b) The executive director shall provide a
39 company with an opportunity to comment in writing that it is not
40 engaged in a boycott of Israel. If the company demonstrates to
41 the executive director that the company is not engaged in a
42 boycott of Israel, the company shall not be included on the list.

43 (* * *4) The executive director shall make every effort to
44 avoid including a company on the list erroneously.

45 **SECTION 3.** Section 27-117-1, Mississippi Code of 1972, is
46 brought forward as follows:



47 27-117-1. **Short title.** This chapter shall be known and may
48 be cited as the "Israel Support Act of 2019."

49 **SECTION 4.** Section 27-117-3, Mississippi Code of 1972, is
50 brought forward as follows:

51 27-117-3. **Definitions.** As used in this chapter, the
52 following words and phrases shall have the meanings ascribed in
53 this section unless the context clearly indicates otherwise:

54 (a) "Boycott Israel" or "boycott of Israel" means
55 refusing to deal, terminating business activities, or taking other
56 actions to limit commercial relations with Israel, or persons or
57 entities doing business in Israel or in Israeli-controlled
58 territories, in a discriminatory manner. A statement by a company
59 that it is participating in a boycott of Israel, or that it has
60 initiated a boycott in response to a request for a boycott of
61 Israel or in compliance with, or in furtherance of, calls for a
62 boycott of Israel, may be considered by the public fund to be
63 evidence that a company is participating in a boycott of Israel.
64 The term does not include restrictive trade practices or boycotts
65 fostered or imposed by foreign countries against Israel.

66 (b) "Company" means an organization, association,
67 corporation, partnership, joint venture, limited partnership,
68 limited liability partnership, limited liability company, or other
69 entity or business association, including all wholly owned
70 subsidiaries, majority-owned subsidiaries, and parent companies,
71 that exists for the purpose of making profit.



72 (c) "Expense" means all explicit costs associated with
73 divesting of investments, including, but not limited to, trading
74 costs, brokerage commissions, and any realized losses, and all
75 implicit costs, including, but not limited to, lost opportunity
76 costs resulting from the prohibition from making certain
77 investments.

78 (d) "Investment" means a commitment or contribution of
79 funds or property, whatever the source, a loan or other extension
80 of credit, and the entry into or renewal of a contract for goods
81 or services. The term "investment" does not include indirect
82 beneficial ownership through index funds, commingled funds,
83 limited partnerships, derivative instruments or the like.

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

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

88 **SECTION 5.** Section 27-117-7, Mississippi Code of 1972, is
89 brought forward as follows:

90 27-117-7. **Limitation on the Public Employees' Retirement**

91 **System and State Treasury Investments.** (1) The Public Employees'
92 Retirement System and the State Treasurer may not invest funds
93 with a company that is identified on a list created pursuant to
94 Section 27-117-5 as a company engaging in a boycott of Israel.

95 (2) Any existing investments in violation of this chapter as
96 of July 1, 2020, must be divested when prudent to do so but not



97 later than one hundred twenty (120) days after the posting is made
98 on the website of the Department of Finance and Administration.

99 **SECTION 6.** Section 27-117-9, Mississippi Code of 1972, is
100 brought forward as follows:

101 27-117-9. **Exception to investment prohibition.**

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

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

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

111 **SECTION 7.** Section 27-117-11, Mississippi Code of 1972, is
112 brought forward as follows:

113 27-117-11. **Limitation of chapter due to fiduciary**

114 **obligations.** Nothing in this chapter shall be construed to
115 require the Public Employees' Retirement System of Mississippi or
116 the State Treasurer or their agents to take any action as
117 described in this chapter unless it is determined, in good faith,
118 that: the action described in this chapter is consistent with the
119 fiduciary responsibilities of the Public Employees' Retirement
120 System of Mississippi or the State Treasurer or their agents; and



121 there are appropriated funds of the state to absorb the expenses
122 necessary to implement this chapter.

123 **SECTION 8.** Section 27-117-13, Mississippi Code of 1972, is
124 brought forward as follows:

125 27-117-13. **Indemnification of employees and officials for**
126 **compliance with this chapter.** Present, future and former board
127 members, officers, employees and agents of the Public Employees'
128 Retirement System and the Department of Finance and
129 Administration, as well as present, future and former State
130 Treasurers, officers and employees of the State Treasurer and
131 agents retained by the State Treasurer, must be indemnified from
132 the State General Fund and held harmless by the state from all
133 claims, demands, suits, actions, damages, judgments, costs,
134 charges and expenses, including court costs and attorney's fees,
135 and against all liability, losses and damages of any nature
136 whatsoever that these present, future or former board members,
137 officers, employees, agents or contract investment managers shall
138 or may at any time sustain by reason of any decision to restrict,
139 reduce or eliminate investments pursuant to this chapter.

140 **SECTION 9.** Section 27-105-33, Mississippi Code of 1972, is
141 amended as follows:

142 27-105-33. It shall be the duty of the State Treasurer and
143 the Executive Director of the Department of Finance and
144 Administration on or about the tenth day of each month, and in
145 their discretion at any other time, to analyze carefully the



146 amount of cash in the General Fund of the state and in all special
147 funds credited to any special purpose designated by the State
148 Legislature or held to meet the budgets or appropriations for
149 maintenance, improvements and services of the several
150 institutions, boards, departments, commissions, agencies, persons
151 or entities of the state, and to determine in their opinion when
152 the cash in such funds is in excess of the amount required to meet
153 the current needs and demands of no more than seven (7) business
154 days on such funds and report their findings to the Governor. It
155 shall be the duty of the State Treasurer to provide a cash flow
156 model for forecasting revenues and expenditures on a bimonthly
157 basis and providing technical assistance for its operation. The
158 Department of Finance and Administration shall use the cash flow
159 model furnished by the State Treasurer, in analyzing the amount of
160 funds on deposit and available for investment.

161 The State Treasurer is hereby authorized, empowered and
162 directed to invest all such excess general and special funds of
163 the state in the following manner:

164 (a) Funds shall be allocated equally among all
165 qualified state depositories which do not have demand accounts in
166 excess of One Hundred Fifty Thousand Dollars (\$150,000.00) until
167 each qualified depository willing to accept the same shall have on
168 deposit or in security repurchase agreements or in other
169 securities authorized in paragraph (d) of this section at interest
170 the sum of Three Hundred Thousand Dollars (\$300,000.00). For the



171 purposes of this subsection, no branch bank or branch office shall
172 be counted as a separate depository.

173 (b) The balance, if any, of such excess general and
174 special funds shall be offered to qualified depositories of the
175 state on a pro rata basis as provided in Section 27-105-9. For
176 the purposes of this subsection, the pro rata share of each
177 depository shall be reduced by the amount of the average daily
178 collected earning balance of demand deposits maintained by the
179 State Treasurer pursuant to Section 27-105-9 during the preceding
180 calendar year, and such reduction shall be allocated pro rata
181 among other eligible depositories.

182 (c) Funds offered pursuant to paragraphs (a) and (b)
183 above shall be invested for periods of up to one (1) year, and
184 shall bear interest at an interest rate no less than that
185 numerically equal to the bond equivalent yield on direct
186 obligations of the United States Treasury of comparable maturity,
187 as determined by the State Treasurer. In determining such rate,
188 the State Treasurer shall consider the Legislature's desire to
189 distribute funds equitably throughout the state to the maximum
190 extent possible.

191 (d) To the extent that the State Treasurer shall find
192 that general and special funds cannot be invested pursuant to
193 paragraphs (a), (b) and (c) of this section for the stated
194 maturity up to one (1) year, the Treasurer may invest such funds,



195 together with any other funds required for current operation, as
196 determined pursuant to this section, in the following:

197 (i) Time certificates of deposit or
198 interest-bearing accounts with qualified state depositories. For
199 those funds determined under prudent judgment of the State
200 Treasurer to be made available for investment in time certificates
201 of deposit, the rate of interest paid by the depositories shall be
202 determined by rules and regulations adopted and promulgated by the
203 State Treasurer which may include competitive bids. At the time
204 of investment, the interest rate on such certificates of deposit
205 under the provisions of this subparagraph shall be a rate not less
206 than the bond equivalent yield on direct obligations of the United
207 States Treasury with a similar length of maturity.

208 (ii) Direct United States Treasury obligations,
209 the principal and interest of which are fully guaranteed by the
210 government of the United States.

211 (iii) United States government agency, United
212 States government instrumentality or United States
213 government-sponsored enterprise obligations, the principal and
214 interest of which are fully guaranteed by the government of the
215 United States, such as the Government National Mortgage
216 Association; or United States governmental agency, United States
217 government instrumentality or United States government-sponsored
218 enterprise obligations, the principal and interest of which are
219 guaranteed by any United States government agency, United States



220 government instrumentality or United States government-sponsored
221 enterprise contained in a list promulgated by the State Treasurer.

222 (iv) Direct security repurchase agreements and
223 reverse direct security repurchase agreements of any federal book
224 entry of only those securities enumerated in subparagraphs (ii)
225 and (iii) above. "Direct security repurchase agreement" means an
226 agreement under which the state buys, holds for a specified time,
227 and then sells back those securities and obligations enumerated in
228 subparagraphs (ii) and (iii) above. "Reverse direct securities
229 repurchase agreement" means an agreement under which the state
230 sells and after a specified time buys back any of the securities
231 and obligations enumerated in subparagraphs (ii) and (iii) above.
232 A qualified state depository shall be given preference for such
233 agreements when possible.

234 (v) Bonds issued, assumed or guaranteed by the
235 Country of Israel, provided that:

236 1. Investments in such instruments shall be
237 denominated in United States currency;

238 2. Such bonds must be of investment grade as
239 rated by at least one (1) nationally recognized statistical rating
240 agency; and

241 3. The amount of funds invested in such bonds
242 at any time shall not exceed * * * Fifty Million Dollars
243 (\$50,000,000.00).



244 (vi) Corporate bonds and taxable municipal bonds;
245 or corporate short-term obligations of corporations or of wholly
246 owned subsidiaries of corporations, whose short-term obligations
247 are rated A-1 or better by Standard and Poor's, rated P-1 or
248 better by Moody's Investment Service, F-1 or better by Fitch
249 Ratings, Ltd., or the equivalent of these ratings if assigned by
250 another United States Securities and Exchange Commission
251 designated Nationally Recognized Statistical Rating Organization.

252 (e) For the purposes of this section, direct
253 obligations issued by the United States of America shall be deemed
254 to include securities of, or other interests in, any open-end or
255 closed-end management type investment company or investment trust
256 registered under the provisions of 15 USCS Section 80(a)-1 et
257 seq., provided that the portfolio of such investment company or
258 investment trust is limited to direct obligations issued by the
259 United States of America, United States government agencies,
260 United States government instrumentalities or United States
261 government-sponsored enterprises, and to repurchase agreements
262 fully collateralized by direct obligations of the United States of
263 America, United States government agencies, United States
264 government instrumentalities or United States government-sponsored
265 enterprises, and the investment company or investment trust takes
266 delivery of such collateral for the repurchase agreement, either
267 directly or through an authorized custodian. The State Treasurer
268 and the Executive Director of the Department of Finance and



269 Administration shall review and approve the investment companies
270 and investment trusts in which funds invested under paragraph (d)
271 of this section may be invested. The total dollar amount of funds
272 invested in all open-end and closed-end management type investment
273 companies and investment trusts at any one time shall not exceed
274 twenty percent (20%) of the total dollar amount of funds invested
275 under paragraph (d) of this section.

276 (f) Investments authorized by subparagraphs (ii) and
277 (iii) of paragraph (d) shall mature on such date or dates as
278 determined by the State Treasurer in the exercise of prudent
279 judgment to generate a favorable return to the state and will
280 allow the monies to be available for use at such time as the
281 monies will be needed for state purposes. However, the maturity
282 of securities purchased as enumerated in subparagraphs (ii) and
283 (iii) shall not exceed ten (10) years from date of purchase.
284 Special funds shall be considered those funds created
285 constitutionally, statutorily or administratively which are not
286 considered general funds. All funds invested for a period of
287 thirty (30) days or longer under paragraph (d) shall bear a rate
288 at least equal to the current established rate under paragraph (c)
289 of this section.

290 (g) Any interest-bearing deposits or certificates of
291 deposit shall not exceed at any time the amount insured by the
292 Federal Deposit Insurance Corporation in any one (1) banking
293 institution, the Federal Savings and Loan Insurance Corporation in



294 any one (1) savings and loan association, or other deposit
295 insurance corporation approved by the State Treasurer, unless the
296 uninsured portion is collateralized by the pledge of securities in
297 the manner provided by Section 27-105-5.

298 (h) Unless otherwise provided, income from investments
299 authorized by the provisions of this subsection shall be credited
300 to the State General Fund.

301 (i) Not more than Five Hundred Thousand Dollars
302 (\$500,000.00) of funds may be invested with foreign financial
303 institutions, and the State Treasurer may enter into price
304 contracts for the purchase or exchange of foreign currency or
305 other arrangements for currency exchange in an amount not to
306 exceed Five Hundred Thousand Dollars (\$500,000.00) upon specific
307 direction of the Department of Economic and Community Development.
308 The State Treasurer shall promulgate all rules and regulations for
309 applications, qualifications and any other necessary matters for
310 foreign financial institutions.

311 Any liquidating agent of a depository in liquidation,
312 voluntary or involuntary, shall redeem from the state any bonds
313 and securities which have been pledged to secure state funds and
314 such redemption shall be at the par value or market value thereof,
315 whichever is greater; otherwise, The liquidating agent or receiver
316 may pay off the state in full for its deposits and retrieve the
317 pledged securities without regard to par or market value.



318 The State Treasurer and the Executive Director of the
319 Department of Finance and Administration shall make monthly
320 reports to the Legislative Budget Office containing a full and
321 complete statement of all funds invested by virtue of the
322 provisions of this section and the revenues derived therefrom and
323 the expenses incurred therewith, together with all such other
324 information as may seem to each of them as being pertinent to
325 inform fully the Mississippi Legislature with reference thereto.

326 The State Treasurer shall not deposit any funds on demand
327 deposit with any authorized depository, unless such depository has
328 contracted for interest-bearing accounts or time certificates of
329 deposit.

330 Notwithstanding the foregoing, any financial institution not
331 meeting the prescribed ratio requirement set forth in Section
332 27-105-5 whose accounts are insured by the Federal Deposit
333 Insurance Corporation, or any successor to that insurance
334 corporation, may receive state funds in an amount not exceeding
335 the amount which is insured by such insurance corporations and may
336 qualify as a state depository to the extent of such insurance for
337 this purpose only. The paid-in and earned capital funds of such
338 financial institution shall not be included in the computations
339 specified in Section 27-105-9(a) and (b).

340 **SECTION 10.** This act shall take effect and be in force from
341 and after July 1, 2024.



**Further, amend by striking the title in its entirety and
inserting in lieu thereof the following:**

1 AN ACT TO AMEND SECTION 27-117-15, MISSISSIPPI CODE OF 1972,
2 TO REMOVE THE REPEAL DATE OF THE ISRAEL SUPPORT ACT OF 2019; TO
3 AMEND SECTION 27-117-5, MISSISSIPPI CODE OF 1972, TO MAKE
4 TECHNICAL CORRECTIONS TO NUMBERING; TO BRING FORWARD SECTIONS
5 27-117-1, 27-117-3, 27-117-7, 27-117-9, 27-117-11 AND 27-117-13,
6 MISSISSIPPI CODE OF 1972, TO WHICH CONSTITUTE THE ISRAEL SUPPORT
7 ACT OF 2019, FOR THE PURPOSE OF POSSIBLE AMENDMENT; TO AMEND
8 SECTION 27-105-33, MISSISSIPPI CODE OF 1972, TO INCREASE THE
9 AMOUNT OF FUNDS THE STATE TREASURER MAY INVEST IN BONDS ISSUED,
10 ASSUMED OR GUARANTEED BY THE COUNTRY OF ISRAEL UNDER CERTAIN
11 CIRCUMSTANCES; AND FOR RELATED PURPOSES.

