

SB 253 – Prohibition on Investments in Companies with Scrutinized Business Operations in Sudan, Iran, or with Foreign Terrorist Organizations

WHERE CAN WE FIND THE TEXT OF THE BILL?

SB 253 can be found here: [Link to Senate Bill 253](#)

WHAT ARE THE GENERAL PROHIBITIONS?

Under Section 2270.0209, Gov't Code (Pages 27 – 28), an investing entity may not acquire securities of a company that is identified on a list of companies with scrutinized active business operations in Sudan or Iran or with business ties to Foreign Terrorist Organizations (collectively, “Listed Companies”). The investing entity may be required under certain conditions to divest from investments in these Listed Companies.

Note: Under Section 2252.152, Gov't Code (Pages 1 – 2 of Senate Bill 252), a governmental entity may not enter into governmental contracts with Listed Companies.

WHO IS REQUIRED TO COMPLY WITH SB 253?

The following entities are required to comply:

- A. Entities subject to Chapter 2256, Gov't Code (See Section 2256.003);
- B. Employees Retirement System of Texas;
- C. Teacher Retirement System of Texas; and
- D. Comptroller.

WHERE CAN WE FIND THE LIST OF COMPANIES WITH SCRUTINIZED BUSINESS OPERATIONS IN SUDAN, IRAN, OR WITH FOREIGN TERRORIST ORGANIZATIONS?

The Comptroller's office is required to prepare and maintain the various lists required under SB 253. The lists will also be published on the Comptroller's website. You can access the website here:

<https://comptroller.texas.gov/purchasing/publications/divestment.php>

WHAT ARE THE REPORTING REQUIREMENTS?

1. The bill requires you to submit to the Comptroller the **name of the Listed Company** in which the Investing Entity has an ownership interest **within 30 days** of receiving the list. **Submit this information and any questions pertaining to investment prohibitions you have to the following e-mail address:**

Divestment@ttstc.texas.gov (Please include a reference to “SB 253” in the subject line.)

Please direct contracting and procurement questions to spd.outreach@cpa.texas.gov

2. Section 2270.0252 requires investing entities to file a report by December 31 with the presiding officer of each house of the legislature and the attorney general that identifies their prohibited investments and identifies which if any of those were sold, redeemed, divested, or withdrawn. In addition, the report should summarize changes to indirect holdings made pursuant to Section 2270.0207.
3. Finally, if an investing entity holds an interest in prohibited Sudanese investments, it must file a similar report with the Special Envoy for Sudan.