

**ARKANSAS SENATE**  
91st General Assembly - Regular Session, 2017  
**Amendment Form**

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**Subtitle of Senate Bill No. 513**

TO PROHIBIT PUBLIC ENTITIES FROM CONTRACTING WITH AND INVESTING IN COMPANIES THAT  
BOYCOTT ISRAEL.

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**Amendment No. 1 to Senate Bill No. 513**

Amend Senate Bill No. 513 as originally introduced:

Page 3, delete lines 7 and 8, and substitute the following:

"public entity in an actively managed account or fund in which the public entity owns all shares or interests;"

AND

Page 3, delete line 12, and substitute the following:

"public entity, in which the public entity owns shares or interests"

AND

Page 3, delete lines 19 and 20, and substitute the following:

"colleges, universities, a statewide public employee retirement system, and institutions in Arkansas as well as units of local and municipal government;"

AND

Page 4, delete lines 10 through 36, and substitute the following:

"(a)(1) A public entity through its asset managers shall identify all companies that boycott Israel and assemble those identified companies into a list of restricted companies to be distributed to each retirement system.

(2) For each company newly identified and added to the list of restricted companies, the public entity through its asset managers shall send a written notice informing the company of its status and that it may become subject to divestment by the public entity.

(3) If, following the engagement by the public entity through its assets managers with a restricted company, that company ceases activity that designates it as a restricted company and submits a written certification to the public entity that it shall not reengage in such activity for the duration of any investment by the public entity, the company shall be removed from the restricted companies list.

(4) The public entity shall keep and maintain the list of



restricted companies and all written certifications from restricted and previously restricted companies.

(b)(1) The public entity shall adhere to the following procedures for companies on the list of restricted companies:

(A) Each public entity shall identify the companies on the list of restricted companies that the public entity owns direct holdings and indirect holdings;

(B) The public entity shall instruct its investment advisors to sell, redeem, divest, or withdraw all direct holdings of restricted companies from the public entity's assets under management in an orderly and fiduciarily responsible manner within three (3) months after the appearance of the company on the list of restricted companies; and

(C) Upon request from the Arkansas Development Finance Authority, each public entity shall provide the Arkansas Development Finance Authority with information regarding investments sold, redeemed, divested, or withdrawn in compliance under this section.

(2) The public entity shall not acquire securities of restricted companies as part of direct holdings.

(c)(1) Subsection (b) of this section does not apply to the public entity's indirect holdings or private market funds.

(2) The public entity shall submit letters to the managers of those investment funds identifying restricted companies and requesting that those investment funds consider removing the investments in the restricted companies from the funds.

(d) The costs associated with the divestment activities of the public entity shall be borne by the respective public entity.

(e) With respect to actions taken in compliance with this section, including all good-faith determinations regarding companies as required under this section, any statewide retirement system and the Arkansas Development Finance Authority are exempt from any conflicting statutory or common law obligations, including any fiduciary duties and any obligations with respect to choice of asset managers, investment funds, or investments for the statewide retirement systems' portfolios."

AND

Page 5, delete lines 1 through 35

The Amendment was read the first time, rules suspended and read the second time and \_\_\_\_\_

By: Senator Hester

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Secretary