

SUBJECT: Investment of state funds in South Africa

COMMITTEE: State Affairs — favorable, without amendment

VOTE: 15 ayes — Seidlits, S. Turner, Alvarado, Black, Bosse, Carter, Craddick, Danburg, Hilbert, Hochberg, B. Hunter, D. Jones, McCall, Ramsay, Wolens
0 nays

SENATE VOTE: On final passage, January 31 — 30-0

WITNESSES: None

BACKGROUND: In 1987 voters approved HJR 5, which amended the Texas Constitution to create the Texas Growth Fund. The fund is a trust fund through which the Permanent University Fund, the Permanent School Fund, the Teacher Retirement System, the Employee Retirement System and other state pension systems make investments directly related to employment opportunity and economic growth in Texas.

HJR 5 limited growth fund investments to businesses submitting an affidavit disclosing their direct financial investment in South Africa or Namibia. At the time HJR 5 was adopted South Africa and Namibia were under a white-minority government.

DIGEST: SJR 7 would propose a constitutional amendment allowing investment of money from the Texas growth fund in a business without requiring the business to disclose whether it has investments in or with South Africa or Namibia.

The proposed constitutional amendment would be submitted to the voters at an election on November 7, 1995. The ballot proposal would read: "The constitutional amendment allowing investment of money from the Texas growth fund in a business without the business's disclosure of its investments in or with South Africa or Namibia."

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**SUPPORTERS
SAY:**

The requirement that companies to disclose whether they have direct investments in South Africa or Namibia in order to receive Texas growth fund investments is no longer necessary. South Africa's white minority government has been replaced by the democratically elected government of President Nelson Mandela, and Namibia is an independent nation no longer under South African control.

**OPPONENTS
SAY:**

No apparent opposition.