

BILL ANALYSIS

Senate Research Center

S.B. 1923
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Finance
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As Filed

DIGEST

Currently, several state agencies have invested substantially in companies which either distribute or own other companies that distribute music that many people consider to be seriously offensive. For example, the Teacher Retirement System holds 1,595,000 shares of common stock (at a value of approximately \$64 million) in the Seagram Company, which owns a substantial portion of MCA Records, a distributor of much of the aforementioned music. The lyrics of many of these artists promote criminal activity and incite violence against police, women, and certain minority or ethnic groups. There are concerns about a public policy which allows state agencies to invest in companies that promote violence, illegal activities, and the degradation of certain groups, especially as other state agencies work diligently to prevent the very activities these songs promote.

This bill would prohibit state agencies from investing in any company that either distributes or owns a controlling interest in any company which distributes or promotes songs or lyrics describing criminal activity, violence against police officers or racial or ethnic groups, or describing bestiality, necrophilia, or pedophilia.

PURPOSE

As proposed, S.B. 1923 prohibits state agencies from using state funds to invest in private corporations that writes, records, produces, advertises, markets, sells, or otherwise promotes any song, lyrics, or other musical work that explicitly describes, glamorizes, or advocates certain offensive activities.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 404.024, Government Code, by adding Subsection (j), to prohibit the comptroller from using state funds to invest in or purchase securities, including obligations, of a private corporation or other private business entity that directly or indirectly through ownership of 10 percent or more of another corporation or business entity, writes, records, produces, advertises, markets, sells, or otherwise promotes any song, lyrics, or other musical work that explicitly describes, glamorizes, or advocates: acts of criminal violence, including murder, assault, assault on peace officers, sexual assault, and robbery; necrophilia, bestiality, or pedophilia; illegal use of controlled substances; criminal street gang activity; degradation or denigration of females; or violence against a particular sex, race, or ethnic group.

SECTION 2. Amends Chapter 2256B, Government Code, by adding Section 2256.060, as follows:

Sec. 2256.060. UNAUTHORIZED INVESTMENT. Prohibits the state or an entity of state government, including a department, commission, board, office, or institution of higher education as defined by Section 61.003, Education Code, from using state funds to invest in or purchase securities, including obligations, of a private corporation or other private business entity that directly or indirectly through ownership of 10 percent or more of another corporation or business entity, writes, records, produces, advertises, markets, sells, or otherwise promotes any song, lyrics, or other musical work that explicitly describes,

glamorizes, or advocates certain activities.

SECTION 3. Amends Section 845.301, Government Code, by adding Subsection (f), to prohibit the board of trustees from using state funds to invest in or purchase securities, including obligations, of a private corporation or other private business entity that directly or indirectly through ownership of 10 percent or more of another corporation or business entity, writes, records, produces, advertises, markets, sells, or otherwise promotes any song, lyrics, or other musical work that explicitly describes, glamorizes, or advocates certain activities.

SECTION 4. Amends Section 855.302, Government Code by adding Subsection (c), to make conforming changes.

SECTION 5. Requires a governmental entity or retirement system that owns an investment prohibited by this Act to divest the investment as soon as is reasonable and practical considering protection of capital, but not later than January 1, 1999.

SECTION 6. Emergency clause.
Effective date: 90 days after adjournment.