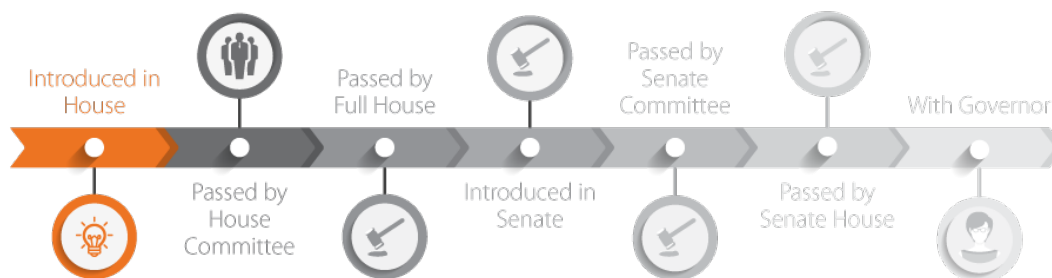


2023 Legislative Session | KPERS Bill Recap

House Bill 2404: Divestment Due to Ideological Boycotts

Where It's At



Quick Look

HB 2404 creates a requirement for the KPERS Board of Trustees to divest from companies that are engaged in ideological boycotts.

Hearings

No hearings scheduled.

The Fine Print

The KPERS Board of Trustees has the authority to manage KPERS investment portfolio. However, the Board of Trustees must adhere to certain statutory guidelines.

HB 2404 restricts the financial companies with which the Board could have direct or indirect investment holdings, if the company engages in an “ideological boycott” related to:

- Fossil fuel energy
- Nuclear energy
- Agriculture production
- Lumber production
- Mining
- Any other natural resource
- Emitting greenhouse gasses
- Firearms
- Not meeting environmental standards
- Governed by a corporate board where diversity, equity and inclusion is a criteria for board makeup
- Not assisting employees in obtaining abortions, assisted suicides or gender reassignment

The State Treasurer is responsible for creating and updating a list of companies that engage in a boycott. The KPERS Board of Trustees is responsible for notifying financial companies that they are not in compliance with State statute and divesting from the companies that maintain the boycott.

If there is clear and convincing evidence that divestment would cause a loss in the value of assets, the Board may cease the divestment. But no new investments could be made with financial companies engaged in a boycott of fossil-fuel based energy companies.

Restricting the Board’s investment options could potentially impact future investment returns. However, the degree of the impact cannot be estimated without more information on financial companies that would be included in the boycott list.