



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *104th General Assembly*

BILL NO: **HB 2780**

February 13, 2025

SPONSOR: Moylan

SYSTEM: General Provisions Article

FISCAL IMPACT

HB 2780 adds Hamas and any company under complete or partial Hamas-control to the Prohibited Investment List. According to SERS and SURS, statutory restrictions on investments limit their ability to adapt to the global market and reduce the pool of investment opportunities, although neither system has any identifiable Hamas-controlled investments. The number of Hamas-restricted companies that would be prohibited is unknown but presumed to be small and possibly non-existent.

SUBJECT MATTER: HB 2780 amends the General Provisions Article of the Pension Code. The bill adds Hamas and any company or entity under complete or partial Hamas control to the prohibited Investment List. The Illinois Investment Policy Board would be given 6 months to create a list of Hamas-restricted companies to distribute to retirement systems. Retirement systems will be expected to divest from any Hamas-restricted company on that list, as detailed below in the Comment section.

COMMENT: Under current law, the following companies are subject to restrictions under the supervision of the Illinois Investment Policy Board (IIPB): companies that boycott Israel, for-profit companies that contract to shelter migrant children, Iran-restricted companies, Sudan-restricted companies, companies based in either Russia or Belarus, and companies that are subject to Russian Harmful Foreign Activities Sanctions. The IIPB was established via P.A. 99-0128, effective July 23, 2015, and the board's dictates only apply to the five State-funded systems (TRS, SURS, and the Illinois State Board of Investment, which oversees investments for SERS, GARS, and JRS).

HB 2780 adds Hamas and organizations owned or partially owned by Hamas. The IIPB would be given 6 months to identify these “Hamas-restricted companies” to include in an updated Prohibited Investment List to distribute to retirement systems. Retirement systems will begin divesting from any Hamas-restricted company after receiving the updated list.

According to SERS and SURS, statutory restrictions on investments limit their ability to be prudent investors by reducing the investment pool. SURS and SERS clarified however, that they do not have investments in any Hamas related company. It should be noted that if a publicly traded company were identified as being under Hamas’s influence, it would be subject to U.S. Treasury sanctions under the Global Terrorism Sanctions Regulations (31 CFR Part 594) and subject to asset freezes and a prohibition on transactions with U.S. persons, as well as potential delisting from stock exchanges under OFAC (Office of Foreign Assets Control) enforcement.

RF:bs

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