



[HF 2373](#) – Public Entity Investments, Israel Boycotting Prohibition (LSB5412HV)
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Fiscal Note Version – New

Description

[House File 2373](#) relates to restrictions regarding companies boycotting Israel to include companies that are a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of such company.

Background

Iowa Code chapter [12J](#) prohibits the State from investing in companies that boycott Israel. This Iowa Code chapter became effective on July 1, 2016, and required public funds to identify companies for divestment by March 1, 2017 (2016 Iowa Acts, chapter [1102](#)). Pension funds pay a divestment vendor research fees associated with implementing existing language under Iowa Code chapter 12J.

As of June 30, 2021, the IPERS Trust Fund has a balance of \$42.850 billion.

Assumptions

- IPERS has identified approximately \$2.7 million in investments that will be impacted by this Bill.
- IPERS will direct its external managers to divest from any companies impacted by HF 2373 and reallocate holdings based on the allocation plan determined by the IPERS Investment Board.

Fiscal Impact

House File 2373 requires IPERS to reallocate approximately \$2.7 million in current investments, which is 0.006% of the total IPERS investment portfolio. Any fees incurred from reallocating investments will be absorbed within the IPERS Trust Fund.

Sources

Iowa Public Employees' Retirement System (IPERS)
Treasurer of State

/s/ Holly M. Lyons

February 16, 2022

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
