



ARIZONA HOUSE OF REPRESENTATIVES

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Senate: FIN DP 4-3-0-0 | 3rd Read 16-12-2-0

SB 1146: divestment; K-12; abortion; explicit material

Sponsor: Senator Hoffman, LD 15

Committee on Government

Overview

Outlines requirements for the State Board of Investments (BOI) and the State Treasurer (Treasurer) regarding investments in companies that donate to or invest in organizations that promote, facilitate or advocate for abortions for minors or for the inclusion of, or the referral of students to, sexually explicit material in grades K-12 (Applicable Companies).

History

Currently, BOI, the ASRS board and the PSPRS board of trustees must each adopt a policy regarding countries identified as state sponsors of terrorism, and divest from companies that are in violation of the Export Administration Act ([A.R.S. 35-392](#)).

The Treasurer invests state monies and is responsible for the safekeeping of all securities for which it is the lawful custodian. BOI reviews investments of Treasury monies, serves as trustees of permanent funds and provides management of fund assets ([Ariz. Const. art. 10 § 7](#); A.R.S. §§ [35-314](#), [35-393.02](#)).

Except for sex education, a public school may not refer a student to or use any sexually explicit material unless the following requirements are met:

- 1) The material possesses serious educational value;
- 2) The public school requires written parental consent, on a per-material basis, before referring a student to or using the material; and
- 3) For students without parental consent, the public school provides an alternative assignment that does not contain sexually explicit material ([A.R.S. § 15-120.03](#)).

Provisions

1. Requires BOI to adopt a policy regarding Applicable Companies. (Sec. 3)
2. Instructs BOI to submit a copy of the policy to the President of the Senate and the Speaker of the House of Representatives. (Sec. 3)
3. Requires BOI's policy to include the procedure used to identify United States companies that donate to or invest in organizations that promote, facilitate or advocate for:
 - a) Abortions for minors; and
 - b) The inclusion of, or the referral of students to, sexually explicit material in grades K-12. (Sec. 3)
4. Requires BOI's policy to include a process for the following:
 - a) Communicating with companies and appropriate federal officials, including Arizona's congressional delegation, regarding its findings; and
 - b) Divestment from Applicable Companies. (Sec. 3)
6. Instructs the Treasurer to divest from Applicable Companies based on public information. (Sec. 3)

7. Defines the following:
 - a) *Sexually explicit material*;
 - b) *Sexual conduct*;
 - c) *Sexual excitement*; and
 - d) *Ultimate sexual acts*. (Sec. 3)
8. Makes technical and conforming changes. (Sec. 1,2,3)

Prop 105 (45 votes) Prop 108 (40 votes) Emergency (40 votes) Fiscal Note