

HOUSE BILL 1455

P6

6lr3072

By: **Delegates Young, Acevero, Alston, and Martinez**

Introduced and read first time: February 13, 2026

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **State Retirement and Pension System – Divestment From Israel**

3 FOR the purpose of requiring the Board of Trustees for the State Retirement and Pension
4 System to review certain investment holdings; requiring the Board of Trustees to
5 take certain divestment actions with regard to certain Israeli investments;
6 prohibiting the Board of Trustees from making certain new investments; providing
7 certain immunities from liability for certain persons; requiring the Board of Trustees
8 to act in good faith in taking certain actions in a certain manner; requiring the Board
9 of Trustees to make certain recommendations to the Joint Committee on Pensions;
10 and generally relating to the investment of assets of the State Retirement and
11 Pension System.

12 BY adding to

13 Article – State Personnel and Pensions
14 Section 21–123.4
15 Annotated Code of Maryland
16 (2024 Replacement Volume and 2025 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
18 That the Laws of Maryland read as follows:

19 **Article – State Personnel and Pensions**

20 **21–123.4.**

21 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
22 **INDICATED.**

23 **(2) (I) “ACTIVELY MANAGED SEPARATE ACCOUNTS” MEANS THE**
24 **ACCOUNTS OF THE SEVERAL SYSTEMS THAT ARE ACTIVELY MANAGED AT THE**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 DIRECTION OF THE BOARD OF TRUSTEES AND HELD IN SEPARATE ACCOUNTS.

2 (II) "ACTIVELY MANAGED SEPARATE ACCOUNTS" DOES NOT
3 MEAN INDEXED FUNDS, PRIVATE EQUITY FUNDS, REAL ESTATE FUNDS, OR OTHER
4 COMMINGLED OR PASSIVELY MANAGED FUNDS.

5 (3) "COMPANY" MEANS ANY CORPORATION, UTILITY, PARTNERSHIP,
6 JOINT VENTURE, FRANCHISOR, FRANCHISEE, TRUST, ENTITY INVESTMENT
7 VEHICLE, FINANCIAL INSTITUTION, OR A WHOLLY OWNED SUBSIDIARY OF ANY OF
8 THESE ENTITIES.

9 (4) "DIVESTMENT ACTION" MEANS SELLING, REDEEMING,
10 TRANSFERRING, EXCHANGING, OTHERWISE DISPOSING OF, AND REFRAINING FROM
11 FURTHER INVESTMENT IN CERTAIN INVESTMENTS.

12 (5) "ELIGIBLE ACCOUNTS" MEANS ACTIVELY MANAGED SEPARATE
13 ACCOUNTS CONTAINING FUNDS OF THE SEVERAL SYSTEMS.

14 (6) "INVESTMENT" MEANS THE COMMITMENT OF FUNDS OR OTHER
15 ASSETS TO A COMPANY, INCLUDING:

16 (I) THE OWNERSHIP OR CONTROL OF A SHARE OR INTEREST IN
17 THE COMPANY; OR

18 (II) THE OWNERSHIP OR CONTROL OF A BOND OR OTHER DEBT
19 INSTRUMENT OF A COMPANY.

20 (7) (I) "ISRAEL" MEANS THE GOVERNMENT OF ISRAEL.

21 (II) "ISRAEL" INCLUDES ALL AGENCIES, INSTITUTIONS,
22 INSTRUMENTALITIES, AND POLITICAL SUBDIVISIONS OF ISRAEL.

23 (8) "ISRAEL-RESTRICTED INVESTMENT" MEANS AN INVESTMENT IN:

24 (I) THE DEVELOPMENT CORPORATION FOR ISRAEL;

25 (II) ANY SECURITY OR ASSET HELD IN OR ASSOCIATED WITH THE
26 GOVERNMENT OF ISRAEL; OR

27 (III) ANY BOND OR SOVEREIGN DEBT ISSUED BY THE
28 GOVERNMENT OF ISRAEL.

29 (B) THE BOARD OF TRUSTEES SHALL REVIEW THE INVESTMENT HOLDINGS
30 IN ELIGIBLE ACCOUNTS FOR THE PURPOSE OF DETERMINING THE EXTENT TO WHICH

1 FUNDS IN ELIGIBLE ACCOUNTS ARE INVESTED IN ISRAEL-RESTRICTED
2 INVESTMENTS.

3 (C) EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, THE
4 BOARD OF TRUSTEES:

5 (1) SHALL TAKE DIVESTMENT ACTION IN ELIGIBLE ACCOUNTS WITH
6 REGARD TO CURRENT ISRAEL-RESTRICTED INVESTMENTS; AND

7 (2) MAY NOT MAKE ANY NEW INVESTMENTS FROM NET NEW FUNDS IN
8 AN ELIGIBLE ACCOUNT IN ANY ISRAEL-RESTRICTED INVESTMENT.

9 (D) NOTWITHSTANDING THE PROVISIONS OF THIS SECTION, THE BOARD OF
10 TRUSTEES MAY EXCLUDE FROM THE PROVISIONS OF SUBSECTION (C) OF THIS
11 SECTION A DIVESTMENT ACTION THAT CANNOT BE EXECUTED FOR FAIR MARKET
12 VALUE OR GREATER.

13 (E) ON OR BEFORE APRIL 1 AND OCTOBER 1 EACH YEAR, THE BOARD OF
14 TRUSTEES SHALL SUBMIT A REPORT, IN ACCORDANCE WITH § 2-1257 OF THE STATE
15 GOVERNMENT ARTICLE, TO THE SENATE BUDGET AND TAXATION COMMITTEE, THE
16 HOUSE APPROPRIATIONS COMMITTEE, AND THE JOINT COMMITTEE ON PENSIONS
17 THAT PROVIDES:

18 (1) ALL DIVESTMENT ACTIONS TAKEN BY THE BOARD OF TRUSTEES
19 IN ACCORDANCE WITH THIS SECTION;

20 (2) A LIST OF INVESTMENTS THAT THE BOARD OF TRUSTEES HAS
21 DETERMINED TO BE INELIGIBLE FOR INVESTMENTS OF NET NEW FUNDS UNDER
22 SUBSECTION (C)(2) OF THIS SECTION; AND

23 (3) OTHER DEVELOPMENTS RELEVANT TO ISRAEL-RESTRICTED
24 INVESTMENTS.

25 (F) THE BOARD OF TRUSTEES OR ANY OTHER FIDUCIARY OF THE SEVERAL
26 SYSTEMS MAY NOT BE HELD LIABLE FOR ANY ACTIONS TAKEN OR DECISIONS MADE
27 IN GOOD FAITH FOR THE PURPOSE OF COMPLYING WITH OR EXECUTING THE
28 REQUIREMENTS OF ANY DIVESTMENT PROVISIONS UNDER THIS SECTION.

29 (G) THE BOARD OF TRUSTEES SHALL ACT IN GOOD FAITH TO CARRY OUT
30 DIVESTMENT ACTION AS REQUIRED BY THIS SECTION IN COMPLIANCE WITH ALL
31 APPLICABLE STATE, FEDERAL, AND INTERNATIONAL HUMAN RIGHTS LAW.

32 (H) NOTHING IN THIS SECTION SHALL REQUIRE THE BOARD OF TRUSTEES
33 TO TAKE ACTION AS DESCRIBED IN THIS SECTION UNLESS THE BOARD OF TRUSTEES

1 DETERMINES IN GOOD FAITH THAT THE ACTION IS CONSISTENT WITH THE
2 FIDUCIARY RESPONSIBILITIES OF THE BOARD OF TRUSTEES AS DESCRIBED IN
3 SUBTITLE 2 OF THIS TITLE.

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
5 1, 2026.