

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 14

Session of
1987

INTRODUCED BY RICHARDSON, IRVIS, LINTON, FATTAH, PRESTON, CARN,
DEAL, EVANS, ROEBUCK, DeWEESE, KUKOVICH, FEE, JOSEPHS,
E. Z. TAYLOR, BLAUM, CAWLEY, COHEN, FREEMAN, WAMBACH,
WOZNIAK, HUGHES, VEON, HAYDEN AND PISTELLA, JANUARY 28, 1987

AS REPORTED FROM COMMITTEE ON FINANCE, HOUSE OF REPRESENTATIVES,
AS AMENDED, APRIL 28, 1987

AN ACT

1 Amending the act of February 17, 1906 (Sp.Sess. P.L.45, No.11),
2 entitled "An act to regulate the deposits of State funds, to
3 prescribe the method of selecting State depositories, to
4 limit the amount of State deposits, to provide for the
5 security of such deposits, to fix the rate of interest
6 thereon, to provide for the publication of monthly statements
7 of moneys in the general and sinking funds, to declare it a
8 misdemeanor to give or take anything of value for obtaining
9 the same, and prescribing penalties for violations of this
10 act," prohibiting State depositories from ~~maintaining~~ <—
11 ENTERING INTO NEW financial transactions with the Republic of <—
12 South Africa or Namibia.

13 The General Assembly of the Commonwealth of Pennsylvania
14 hereby enacts as follows:

15 Section 1. The act of February 17, 1906 (Sp.Sess. P.L.45,
16 No.11), entitled "An act to regulate the deposits of State
17 funds, to prescribe the method of selecting State depositories,
18 to limit the amount of State deposits, to provide for the
19 security of such deposits, to fix the rate of interest thereon,
20 to provide for the publication of monthly statements of moneys
21 in the general and sinking funds, to declare it a misdemeanor to

1 give or take anything of value for obtaining the same, and
2 prescribing penalties for violations of this act," is amended by
3 adding a ~~section~~ SECTIONS to read: <—

4 ~~Section 3.1. (a) To be a depository of State funds, a~~ <—
5 ~~financial institution shall not encourage or condone legally~~
6 ~~required discrimination against an individual on the basis of~~
7 ~~race or color or supported human rights violations against an~~
8 ~~individual by knowingly making or maintaining a loan to the~~
9 ~~Republic of South Africa or Namibia, a national corporation of~~
10 ~~the Republic of South Africa or Namibia, or to a subsidiary or~~
11 ~~affiliate of a United States firm operating in the Republic of~~
12 ~~South Africa or Namibia. A financial institution shall be~~
13 ~~considered to have complied with this subsection if the~~
14 ~~financial institution has filed with the State Treasurer an~~
15 ~~affidavit attesting to the fact that it has, no later than six~~
16 ~~months from the effective date of this section, no existing~~
17 ~~loans to the Republic of South Africa or Namibia, a national~~
18 ~~corporation of the Republic of South Africa or Namibia, or to a~~
19 ~~subsidiary or affiliate of a United States firm operating in the~~
20 ~~Republic of South Africa or Namibia, as determined from~~
21 ~~information obtained from the United States Department of~~
22 ~~Commerce.~~

23 ~~(b) As used in this section:~~

24 ~~"Financial institution" means a bank chartered under the laws~~
25 ~~of this State or of the United States.~~

26 ~~"National corporation" means a corporation, or a subsidiary~~
27 ~~of affiliate of a corporation, that is more than fifty per~~
28 ~~centum owned or operated by the government of the Republic of~~
29 ~~South Africa or Namibia.~~

30 ~~"Subsidiary or affiliate of a United States firm operating in~~

~~the Republic of South Africa or Namibia" means, as determined by the United States Department of Commerce, a firm incorporated under the laws of the Republic of South Africa or Namibia, domiciled in the Republic of South Africa or Namibia, and controlled by a United States firm. A subsidiary or affiliate shall not be construed to mean a subsidiary or affiliate that is located in the United States.~~

SECTION 3.1. (A) TO BE A DEPOSITORY OF STATE FUNDS, A FINANCIAL INSTITUTION SHALL NOT ENCOURAGE OR CONDONE LEGALLY REQUIRED DISCRIMINATION AGAINST AN INDIVIDUAL ON THE BASIS OF RACE OR COLOR OR SUPPORTED HUMAN RIGHTS VIOLATIONS AGAINST AN INDIVIDUAL BY KNOWINGLY MAKING OR EXTENDING AN EXISTING LOAN TO THE REPUBLIC OF SOUTH AFRICA OR NAMIBIA, POLITICAL SUBDIVISION OR INSTRUMENTALITY OF SOUTH AFRICA OR NAMIBIA, OR TO A NATIONAL CORPORATION OF THE REPUBLIC OF SOUTH AFRICA OR NAMIBIA. A FINANCIAL INSTITUTION SHALL BE CONSIDERED AS HAVING COMPLIED WITH THE REQUIREMENTS OF THIS SUBSECTION IF, UPON REQUEST OF THE STATE TREASURER, IT CERTIFIES THAT, AFTER THE EFFECTIVE DATE OF THIS ACT, IT HAS NOT MADE, AND WILL NOT THEREAFTER KNOWINGLY MAKE OR EXTEND ANY EXISTING LOANS TO THE REPUBLIC OF SOUTH AFRICA, NAMIBIA, POLITICAL SUBDIVISION OR INSTRUMENTALITY OF SOUTH AFRICA OR NAMIBIA OR TO A NATIONAL CORPORATION OF THE REPUBLIC OF SOUTH AFRICA OR NAMIBIA.

(B) AS USED IN THIS SECTION:

"FINANCIAL INSTITUTION" MEANS A BANK CHARTERED UNDER THE LAWS OF THIS STATE OR OF THE UNITED STATES.

"NATIONAL CORPORATION" MEANS A CORPORATION, OR A SUBSIDIARY OR AFFILIATE OF A CORPORATION, THAT IS MORE THAN FIFTY PER CENTUM OWNED OR OPERATED BY THE GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA OR NAMIBIA.

1 SECTION 3.2. (A) IN ORDER TO ASSIST OTHER STATE BOARDS AND
2 AGENCIES, AND ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY
3 THEREOF, IN ANY DECISIONS RELATING TO THE DIVESTMENT OF STOCKS,
4 BONDS, SECURITIES OR OTHER FINANCIAL HOLDINGS OF CORPORATIONS OR
5 BUSINESSES HAVING "BUSINESS OPERATIONS" EITHER DIRECTLY OR
6 THROUGH ANY SUBSIDIARY OR AFFILIATE IN THE REPUBLIC OF SOUTH
7 AFRICA OR NAMIBIA, THE STATE TREASURER SHALL ACT AS A
8 CLEARINGHOUSE FOR INFORMATION AND LISTS OF SUCH CORPORATIONS OR
9 BUSINESSES. SUCH INFORMATION AND LISTS SHALL BE UPDATED
10 QUARTERLY.

11 (B) AS USED IN THIS SECTION, "BUSINESS OPERATIONS" MEANS THE
12 MAINTENANCE OF EQUIPMENT, FACILITIES, PERSONNEL OR ANY OTHER
13 APPARATUS OF BUSINESS OR COMMERCE, INCLUDING THE OWNERSHIP OR
14 POSSESSION OF REAL OR PERSONAL PROPERTY LOCATED IN SOUTH AFRICA
15 OR NAMIBIA.

16 Section 2. This act shall take effect immediately.