

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2150

Session of
2001

INTRODUCED BY HASAY, CALTAGIRONE, PERZEL, MUNDY, M. BAKER, BARD, BELFANTI, BENNINGHOFF, CAPPELLI, CREIGHTON, CURRY, DALLY, DeLUCA, FAIRCHILD, FICHTER, FREEMAN, GANNON, GEIST, GEORGE, HARHAI, HENNESSEY, HERSHEY, HESS, KELLER, KENNEY, PHILLIPS, ROBERTS, RUBLEY, SATHER, SCHRODER, SCRIMENTI, SEMMEL, SHANER, B. SMITH, SOLOBAY, R. STEVENSON, T. STEVENSON, STURLA, SURRA, TANGRETTI, E. Z. TAYLOR, TRICH, WATSON, WILT, G. WRIGHT, YOUNGBLOOD, FRANKEL, TURZAI, MAHER, PALLONE, WANSACZ, TIGUE, McGEEHAN, BUNT, FLICK, HORSEY, HABAY, ADOLPH, STABACK, BROWNE AND J. TAYLOR, NOVEMBER 15, 2001

AS RE-REPORTED FROM COMMITTEE ON APPROPRIATIONS, HOUSE OF REPRESENTATIVES, AS AMENDED, DECEMBER 3, 2001

AN ACT

1 Amending Title 71 (State Government) of the Pennsylvania
2 Consolidated Statutes, prohibiting investments in countries
3 identified as sponsors of terrorism.

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. Title 71 of the Pennsylvania Consolidated
7 Statutes is amended by adding a section to read:

8 ~~§ 5941. Prohibition of investments in countries identified as~~ <—
9 ~~sponsors of terrorism.~~

10 ~~No funds shall be invested under this subchapter in any stock~~
11 ~~or obligation of any corporation doing business, either by~~
12 ~~itself or through any subsidiary or affiliate, in any country~~
13 ~~identified by the United States Department of State as a sponsor~~
14 ~~of foreign terrorist organizations.~~

1 § 5941. TERRORISM-RELATED INVESTMENTS.

2 (A) FINDINGS AND POLICY STATEMENT.--THE GENERAL ASSEMBLY
3 FINDS THAT FOREIGN TERRORISTS AND THOSE ORGANIZATIONS AND
4 COUNTRIES WHO SHELTER, HARBOR AND SUPPORT THEM, POSE A GRAVE
5 THREAT TO THE SECURITY AND WELL-BEING OF ALL THE CITIZENS AND
6 INSTITUTIONS OF THIS COMMONWEALTH, INCLUDING SPECIFICALLY THE
7 MEMBERS OF THE SYSTEM. AS SUCH IT IS IMPERATIVE THAT THE ASSETS
8 OF THE FUND BE PRUDENTLY MANAGED AND INVESTED, AS MORE
9 PARTICULARLY SET FORTH IN SUBSECTIONS (B), (C) AND (D), TO
10 ENSURE THAT FOREIGN TERRORISTS AND THOSE ORGANIZATIONS AND
11 COUNTRIES WHO SHELTER, HARBOR AND SUPPORT THEM DERIVE NO BENEFIT
12 FROM SAID INVESTMENTS.

13 (B) PROHIBITED INVESTMENTS.--ON AND AFTER THE EFFECTIVE DATE
14 OF THIS SECTION, THE BOARD SHALL NOT INVEST IN THE STOCKS,
15 SECURITIES OR OTHER OBLIGATIONS OF ANY PERSON OR COUNTRY
16 SPECIFICALLY IDENTIFIED BY THE OFFICE OF FOREIGN ASSET CONTROL
17 OF THE UNITED STATES DEPARTMENT OF THE TREASURY AS SUPPORTING
18 FOREIGN TERRORISM AND AGAINST WHICH ECONOMIC, TRADE OR OTHER
19 SANCTIONS HAVE BEEN IMPOSED BY THE PRESIDENT OF THE UNITED
20 STATES PURSUANT TO THE CONSTITUTION AND LAWS OF THE UNITED
21 STATES, INCLUDING THE TRADING WITH THE ENEMY ACT (40 STAT. 411,
22 50 U.S.C. APP § 1 ET SEQ.), THE INTERNATIONAL EMERGENCY ECONOMIC
23 POWERS ACT (PUBLIC LAW 95-223, 50 U.S.C. § 1701 ET SEQ.), THE
24 NATIONAL EMERGENCIES ACT (PUBLIC LAW 94-412, 50 U.S.C. § 1601 ET
25 SEQ.), THE ARMS EXPORT CONTROL ACT (22 U.S.C. §§ 2797B-2797C),
26 SECTION 5 OF THE UNITED NATIONS PARTICIPATION ACT OF 1945 (22
27 U.S.C. § 287C) AND 3 U.S.C. § 301 (RELATING TO GENERAL
28 AUTHORIZATION TO DELEGATE FUNCTIONS; PUBLICATION OF DELEGATION).
29 THE RESTRICTION SHALL BE TO THE EXTENT PRESCRIBED BY THE
30 PRESIDENT OF THE UNITED STATES, UNLESS OTHERWISE SUBSEQUENTLY

1 WAIVED. IN THE EVENT THE BOARD BECOMES AWARE THAT IT HAS
2 INVESTED IN VIOLATION OF THIS SUBSECTION THEN THE BOARD SHALL
3 IMMEDIATELY MOVE TO DIVEST ITSELF OF THE INVESTMENT IN A
4 FIDUCIARILY PRUDENT MANNER.

5 (C) PORTFOLIO REVIEW.--WITHIN 90 DAYS OF THE EFFECTIVE DATE
6 OF THIS SECTION AND AT LEAST ANNUALLY THEREAFTER, THE BOARD
7 SHALL COMPLETE A COMPREHENSIVE REVIEW OF ITS INVESTMENTS TO
8 DETERMINE COMPLIANCE WITH THE REQUIREMENTS OF SUBSECTION (B). IN
9 THE EVENT THE BOARD BECOMES AWARE THAT IT HAS INVESTED IN
10 VIOLATION OF THIS SECTION THEN THE BOARD SHALL IMMEDIATELY MOVE
11 TO DIVEST ITSELF OF THE INVESTMENT IN A FIDUCIARILY PRUDENT
12 MANNER.

13 (D) INVESTMENT MANAGERS.--ALL EXISTING AND FUTURE INVESTMENT
14 MANAGERS RETAINED BY THE BOARD ON OR AFTER THE EFFECTIVE DATE OF
15 THIS SECTION WHO INVEST IN THE NAME OF THE SYSTEM SHALL BE
16 NOTIFIED BY THE BOARD OF THEIR OBLIGATION TO CONDUCT THEIR
17 INVESTMENT ACTIVITIES ON BEHALF OF THE BOARD IN A MANNER
18 DESIGNED TO COMPLY WITH THE REQUIREMENTS OF SUBSECTION (B).

19 (E) PERSON DEFINED.--AS USED IN THIS SECTION "PERSON" SHALL
20 INCLUDE A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY,
21 BUSINESS TRUST, OTHER ASSOCIATION, GOVERNMENT ENTITY, OTHER THAN
22 THE UNITED STATES OF AMERICA AND THE STATES THAT COMPRISE IT,
23 ESTATE, TRUST, FOUNDATION OR NATURAL PERSON.

24 Section 2. This act shall take effect immediately.