

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1086 Session of
2007

INTRODUCED BY SHAPIRO, DeWEESE, BASTIAN, BELFANTI, BENNINGHOFF,
BOYD, CALTAGIRONE, COHEN, CONKLIN, COX, CURRY, CUTLER,
DeLUCA, DePASQUALE, D. EVANS, FABRIZIO, FLECK, FRANKEL,
FREEMAN, GALLOWAY, GIBBONS, HENNESSEY, HERSHEY, HESS,
KAUFFMAN, KENNEY, KING, KORTZ, KULA, LEACH, LENTZ, MAHONEY,
MANDERINO, MANN, METCALFE, MICOZZIE, MUNDY, MURT, MYERS,
NAILOR, M. O'BRIEN, O'NEILL, PARKER, PETRI, PETRONE, RAPP,
READSHAW, REED, REICHLEY, ROHRER, SCHRODER, SHIMKUS,
McILVAINE SMITH, M. SMITH, SOLOBAY, STEIL, R. STEVENSON,
STURLA, SURRA, R. TAYLOR, TRUE, VEREB, WALKO, WANSACZ,
WATSON, YOUNGBLOOD AND YUDICHAK, APRIL 16, 2007

REFERRED TO COMMITTEE ON STATE GOVERNMENT, APRIL 16, 2007

AN ACT

1 Amending the act of April 9, 1929 (P.L.343, No.176), entitled,
2 as amended, "An act relating to the finances of the State
3 government; providing for the settlement, assessment,
4 collection, and lien of taxes, bonus, and all other accounts
5 due the Commonwealth, the collection and recovery of fees and
6 other money or property due or belonging to the Commonwealth,
7 or any agency thereof, including escheated property and the
8 proceeds of its sale, the custody and disbursement or other
9 disposition of funds and securities belonging to or in the
10 possession of the Commonwealth, and the settlement of claims
11 against the Commonwealth, the resettlement of accounts and
12 appeals to the courts, refunds of moneys erroneously paid to
13 the Commonwealth, auditing the accounts of the Commonwealth
14 and all agencies thereof, of all public officers collecting
15 moneys payable to the Commonwealth, or any agency thereof,
16 and all receipts of appropriations from the Commonwealth,
17 authorizing the Commonwealth to issue tax anticipation notes
18 to defray current expenses, implementing the provisions of
19 section 7(a) of Article VIII of the Constitution of
20 Pennsylvania authorizing and restricting the incurring of
21 certain debt and imposing penalties; affecting every
22 department, board, commission, and officer of the State
23 government, every political subdivision of the State, and
24 certain officers of such subdivisions, every person,
25 association, and corporation required to pay, assess, or

1 collect taxes, or to make returns or reports under the laws
2 imposing taxes for State purposes, or to pay license fees or
3 other moneys to the Commonwealth, or any agency thereof,
4 every State depository and every debtor or creditor of the
5 Commonwealth," prohibiting investments in corporations doing
6 business in countries which sponsor terrorism.

7 The General Assembly of the Commonwealth of Pennsylvania
8 hereby enacts as follows:

9 Section 1. The act of April 9, 1929 (P.L.343, No.176), known
10 as The Fiscal Code, is amended by adding a section to read:

11 Section 301.2. Prohibition of Terrorism-related
12 Investments.--(a) The General Assembly finds that foreign
13 terrorists and those organizations and countries that shelter,
14 harbor and support them pose a grave threat to the security and
15 well-being of all the citizens and institutions of this
16 Commonwealth. As such, it is imperative that the assets of the
17 fund be prudently managed and invested, as more particularly set
18 forth in subsections (b), (d) and (e), to ensure that foreign
19 terrorists and those organizations and countries that shelter,
20 harbor and support them derive no benefit from the investments.

21 (b) On and after the effective date of this section, the
22 board shall not invest in the stocks, securities or other
23 obligations of any entity engaged in business with a state
24 sponsor of terror. In the event the board becomes aware that it
25 has invested in violation of this subsection, the board shall
26 immediately move to divest itself of the investment in a prudent
27 manner.

28 (c) The board shall permit investments in an entity:
29 (1) that engages in the provision of goods and services that
30 relieve human suffering or promote health or religious,
31 spiritual, educational, humanitarian or journalistic activities;
32 or

1 (2) that conducts commercial transactions in any country
2 identified as a state sponsor of terror pursuant to a permit or
3 license issued by the United States Government or the United
4 Nations and is exempt from divestment and exclusion.

5 (d) Within ninety days of the effective date of this section
6 and at least annually thereafter, the board shall complete a
7 comprehensive review of its investments to determine compliance
8 with the requirements of subsection (b). The board shall provide
9 the General Assembly with a copy of the comprehensive review
10 annually. In the event the board becomes aware that is has
11 invested in violation of this section, then the board shall
12 immediately move to divest itself of the investment in a prudent
13 manner.

14 (e) All existing and future investment managers retained by
15 the board on or after the effective date of this section who
16 invest in the name of the system shall be notified by the board
17 of their obligation to conduct their investment activities on
18 behalf of the board in a manner designed to comply with the
19 requirements of subsection (b).

20 (f) As used in this section:

21 "Entity" shall include a corporation, partnership, limited
22 liability company, business trust, other association, government
23 entity, other than the United States of the America and the
24 states that comprise it, estate, trust, foundation or natural
25 person.

26 "State sponsor of terror" shall include:

27 (1) a country identified by the Office of Foreign Assets
28 Control in the United States Department of the Treasury as
29 sponsoring terrorist activities; or

30 (2) a country designated by the United States Department of

- 1 State as having repeatedly provided support for acts of
- 2 international terrorism.
- 3 Section 2. This act shall take effect in 60 days.