

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1087 Session of  
2007

INTRODUCED BY SHAPIRO, DeWEESE, BASTIAN, BELFANTI, BENNINGHOFF,  
BOYD, CALTAGIRONE, COHEN, CONKLIN, COX, CURRY, CUTLER,  
DeLUCA, DePASQUALE, D. EVANS, FABRIZIO, FLECK, FRANKEL,  
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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 Title 24 (Education) of the Pennsylvania Consolidated  
2 Statutes, providing for prohibition of investments in  
3 countries identified as sponsors of terrorism.

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

6 Section 1. Title 24 of the Pennsylvania Consolidated  
7 Statutes is amended by adding a section to read:

8 § 8528. Terrorism-related investments.

9 (a) Findings and policy statement.--The General Assembly  
10 finds that foreign terrorists and those organizations and  
11 countries that shelter, harbor and support them pose a grave  
12 threat to the security and well-being of all the citizens and  
13 institutions of this Commonwealth, including specifically the  
14 members of the system. As such, it is imperative that the assets

1 of the fund be prudently managed and invested, as more  
2 particularly set forth in subsections (b), (d) and (e), to  
3 ensure that foreign terrorists and those organizations and  
4 countries that shelter, harbor and support them derive no  
5 benefit from the investments.

6 (b) Prohibited investments.--On and after the effective date  
7 of this section, the board shall not invest in the stocks,  
8 securities or other obligations of any entity engaged in  
9 business with a state sponsor of terror. In the event the board  
10 becomes aware that it has invested in violation of this  
11 subsection, the board shall immediately move to divest itself of  
12 the investment in a prudent manner.

13 (c) Humanitarian aid exception.--The board shall permit  
14 investments in an entity:

15 (1) that engages in the provision of goods and services  
16 that relieve human suffering or promote health or religious,  
17 spiritual, educational, humanitarian or journalistic  
18 activities; or

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

23 (d) Portfolio review.--Within 90 days of the effective date  
24 of this section and at least annually thereafter, the board  
25 shall complete a comprehensive review of its investments to  
26 determine compliance with the requirements of subsection (b).  
27 The board shall provide the General Assembly with a copy of the  
28 comprehensive review annually. In the event the board becomes  
29 aware that is has invested in violation of this section, then  
30 the board shall immediately move to divest itself of the

1 investment in a prudent manner.

2 (e) Investment managers.--All existing and future investment  
3 managers retained by the board on or after the effective date of  
4 this section who invest in the name of the system shall be  
5 notified by the board of their obligation to conduct their  
6 investment activities on behalf of the board in a manner  
7 designed to comply with the requirements of subsection (b).

8 (f) Definitions.--As used in this section, the following  
9 words and phrases shall have the meanings given to them in this  
10 subsection:

11 "Entity." A corporation, partnership, limited liability  
12 company, business trust, other association, government entity,  
13 other than the United States of America and the states that  
14 comprise it, estate, trust, foundation or natural person.

15 "State sponsor of terror." The term includes:

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

19 (2) a country designated by the United States Department  
20 of State as having repeatedly provided support for acts of  
21 international terrorism.

22 Section 2. This act shall take effect in 60 days.