

**RETIREMENT INVESTMENT REPORTS**

2009 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Julie Fisher**

Senate Sponsor: Curtis S. Bramble

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**LONG TITLE**

**General Description:**

This bill modifies the Utah State Retirement and Insurance Benefit Act by requiring an annual report of investments of retirement funds in Iran's petroleum sector.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ requires the Utah State Retirement Office to prepare an annual report of investments of retirement funds in scrutinized companies within Iran's petroleum sector;
- ▶ provides that the report be given to the governor, the board, the president of the Senate, the speaker of the House of Representatives, and the Retirement and Independent Entities Committee; and
- ▶ provides certain exceptions for reporting.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

ENACTS:

**49-11-306**, Utah Code Annotated 1953

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*Be it enacted by the Legislature of the state of Utah:*

30 Section 1. Section **49-11-306** is enacted to read:

31 **49-11-306. Definitions -- Scrutinized Companies Investment Report -- Content --**  
32 **Reporting -- Exceptions.**

33 (1) As used in this section:

34 (a) "Active business operations" means all business operations that are not inactive  
35 business operations.

36 (b) (i) "Business operations" means investing, with actual knowledge on or after  
37 August 5, 1996, in Iran's petroleum sector which investment directly and significantly  
38 contributes to the enhancement of Iran's ability to develop the petroleum resources of Iran.

39 (ii) "Business operations" does not include the retail sale of gasoline and related  
40 consumer products.

41 (c) "Company" means any foreign sole proprietorship, organization, association,  
42 corporation, partnership, joint venture, limited partnership, limited liability partnership,  
43 limited liability company, or any other foreign entity or business association, including all  
44 wholly-owned subsidiaries, majority-owned subsidiaries or parent companies or affiliates of  
45 these entities or business associations, that exists for the purpose of making a profit.

46 (d) "Direct holdings" means all publicly traded equity securities of a company that are  
47 held directly by the public fund or in an account or fund in which the public fund owns all  
48 shares or interests.

49 (e) "Inactive business operations" means the continued holding or renewal of rights to  
50 property previously operated for the purpose of generating revenues but not presently deployed  
51 for that purpose.

52 (f) "Iran" means the Islamic Republic of Iran.

53 (g) "Petroleum resources" means petroleum or natural gas.

54 (h) "Public fund" means the Utah State Retirement Investment Fund created under  
55 Section 49-11-301.

56 (i) "Scrutinized business operations" means any active business operations that:

57 (i) are subject to or liable for sanctions under Public Law 104-172, the Iran Sanctions

58 Act of 1996, as amended; and

59 (ii) involve the maintenance of:

60 (A) the company's existing assets or investments in Iran; or

61 (B) the deployment of new investments to Iran that meet or exceed the threshold

62 referred to in Public Law 104-172, the Iran Action Act of 1996, as amended.

63 (j) "Scrutinized company" means any company engaging in scrutinized business  
64 operations.

65 (2) (a) The Utah State Retirement Office shall identify those scrutinized companies in  
66 which the public fund has direct holdings. In making the determination, the board shall  
67 review and rely on publicly available information regarding companies with business  
68 operations in Iran, including information provided by nonprofit organizations, research firms,  
69 international organizations, and government entities.

70 (b) The office shall assemble a list of all identified scrutinized companies.

71 (c) The office shall update the list, on an annual basis, with information provided and  
72 received from those entities listed in Subsection (2)(a).

73 (3) The office shall prepare an annual report of public fund investments in scrutinized  
74 companies.

75 (4) The report shall include amounts and other data and statistics designed to explain  
76 the past and current extent to which public fund investments in scrutinized companies are  
77 present.

78 (5) The report shall be provided to the governor, the board, the president of the Senate,  
79 the speaker of the House of Representatives, and to each member and staff of the Retirement  
80 and Independent Entities Committee created under Section 63E-1-201.

81 (6) The provisions of this section do not apply to:

82 (a) monies invested in a defined contribution plan as defined under Section  
83 49-11-102; or

84 (b) investments in a company that is primarily engaged in:

85 (i) supplying goods or services intended to relieve human suffering in Iran; or

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(ii) promoting health, education, religious, welfare, or journalistic activities in Iran.