

Representative Julie Fisher proposes the following substitute bill:

RETIREMENT INVESTMENT REPORTS

2009 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Julie Fisher

Senate Sponsor: Curtis S. Bramble

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 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 to 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:



26 49-11-306, Utah Code Annotated 1953

27

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

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

30 **49-11-306. Definitions -- Scrutinized Companies Investment Report -- Content --**
31 **Reporting -- Exceptions.**

32 (1) As used in this section:

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

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

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

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

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

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

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

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

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

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

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

57 Act of 1996, as amended; and

58 (ii) involve the maintenance of:

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

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

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

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

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

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

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

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

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

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

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

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

82 or

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

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

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

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Fiscal Note

2009 General Session

State of Utah

State Impact

Enactment of this bill may result in ongoing administrative cost of \$10,000 beginning in FY 2010.

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.
