

LC02815

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2006

A N A C T

RELATING TO THE STATE INVESTMENT COMMISSION

Introduced By: Senators Perry, Metts, Algieri, Damiani, and Pichardo

Date Introduced: March 23, 2006

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 35-10 of the General Laws entitled "State Investment Commission"
2 is hereby amended by adding thereto the following section:

3 **35-10-15. Divestment from companies which maintain an equity tie to Sudan. – The**
4 general treasurer, acting as the treasurer/custodian of the state employees' retirement system and
5 the teachers' retirement system, and as the chairperson of the state investment commission, is
6 authorized and directed to divest from companies which, either directly or through a subsidiary,
7 maintain an equity tie to Sudan.

8 For the purposes of this section, "equity tie" means the maintenance of equipment,
9 facilities, personnel or any other apparatus of business or commerce in Sudan, including the
10 ownership or possession of real or personal property located in Sudan; provided, that all direct
11 and indirect holdings (i.e. mutual funds, index funds, commingled funds) in companies with
12 equity ties to Sudan from all state pension funds shall require divestment.

13 The following time line shall apply:

14 (1) Not less than thirty percent (30%) of a retirement system's assets in the companies
15 defined in this section shall be divested later than four (4) months after the effective date of this
16 section.

17 (2) Not less than sixty percent (60%) of the retirement system's assets in such companies
18 shall be divested later than eight (8) months after the effective date of this section.

19 (3) Not less than one hundred percent (100%) of the retirement system's assets in such

1 companies shall be divested later than twelve (12) months after the effective date of this section.

2 Money managers of state pension funds shall be required to identify any company named
3 by an independent research firm, selected by the general treasurer, as a company with equity
4 business ties to Sudan.

5 The following companies are excluded from divestment:

6 (a) Investments in companies that are engaged solely in the provision of goods and
7 services intended to relieve human suffering or to promote welfare, health, education or religious
8 or spiritual activities;

9 (b) Investments in companies that are engaged solely in journalistic activities; and

10 (c) Investments in companies that are engaged solely in the purchase and provision of
11 agricultural goods and services, the industry responsible for the employment of approximately
12 eighty percent (80%) of Sudanese.

13 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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- 1 This act would require divestment by the state from companies which maintain an equity
- 2 tie to Sudan.
- 3 This act would take effect upon passage.

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