

1                                   A bill to be entitled  
 2           An act relating to State Board of Administration  
 3           investments; providing legislative findings; providing  
 4           definitions; prohibiting certain pension or annuity fund  
 5           assets from being invested in certain companies with ties  
 6           to or engaged in business with known state sponsors of  
 7           terror; providing exceptions; requiring the State Board of  
 8           Administration to review investments and take certain  
 9           actions to sell, redeem, divest, or withdraw any  
 10          prohibited investments; requiring a report to the  
 11          Legislature; providing an effective date.

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 13           WHEREAS, state sponsors of terror designated by the United  
 14          States provide military, financial, political, diplomatic, and  
 15          organizational aid to known terrorist groups, and

16           WHEREAS, some state sponsors of terror designated by the  
 17          United States are seeking to develop weapons of mass  
 18          destruction, including nuclear weapons, and

19           WHEREAS, support for terrorism and the acquisition of  
 20          weapons of mass destruction represent a grave threat to the  
 21          security of the United States and to the citizens of the State  
 22          of Florida, NOW, THEREFORE,

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 24          Be It Enacted by the Legislature of the State of Florida:

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 26           Section 1.   (1) FINDINGS.--

27           (a) The Legislature finds and declares that this state is  
 28           deeply concerned about investments in publicly traded companies

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29 that have business activities in nations that are known  
30 sponsors of terrorism as a global security and financial risk  
31 to the shareholders.

32 (b) The Legislature finds that the Securities and  
33 Exchange Commission determined that companies with business  
34 operations in states that sponsor terrorists are exposed to a  
35 special risk category known as global security risk. The term  
36 "global security risk" means the risk to share value and  
37 corporate reputation stemming from the intersection of a  
38 publicly traded company's international business activities and  
39 security-related concerns, such as terrorism and weapons  
40 proliferation.

41 (c) The Legislature finds that by investing in publicly  
42 traded companies with ties to known state sponsors of terror,  
43 as designated by the United States Department of State, the  
44 State Board of Administration is putting the pensions of its  
45 public employees and citizens at risk. The Legislature also  
46 finds that there are more than 450 United States and foreign  
47 publicly traded companies that have business activities in or  
48 with states that sponsor terrorists.

49 (d) To protect the public assets of this state, the  
50 Legislature determines that it is in the best interest of the  
51 state to enact a prohibition against the investment of public  
52 employee retirement funds in companies doing business with or  
53 in known state sponsors of terror.

54 (2) DEFINITIONS.--For purposes of this section, the term:

55 (a) "State sponsor of terror" means any country  
56 determined by the Secretary of State to have repeatedly

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57 provided support for acts of international terrorism. As of the  
58 effective date of this section, the state sponsors of terror as  
59 designated under these authorities are Cuba, Iran, North Korea,  
60 Sudan, and Syria.

61 (b) "Company" means any entity having business ties of  
62 any nature, scope, and type affecting commerce, including, but  
63 not limited to, a government, government agency, corporation,  
64 firm, subsidiary, financial institution, provider of financial  
65 services, joint venture, trade association, or affiliate.

66 (c) "Equity tie" means any facility, plant, employee, or  
67 advisor or an investment, fiduciary, monetary, or physical  
68 presence of any kind.

69 (d) "Humanitarian aid" means the provision of goods and  
70 services intended to relieve human suffering due to natural  
71 disasters, war, or civil unrest.

72 (3) PROHIBITION.--Notwithstanding any other provision of  
73 law, no assets of any pension or annuity fund under the  
74 jurisdiction of the executive director and the Board of  
75 Trustees of the State Board of Administration shall be invested  
76 in any company that has an equity tie to or is engaged in  
77 business with known state sponsors of terror. This prohibition  
78 shall not apply to the activities of any company providing  
79 humanitarian aid to the people of such states through either a  
80 governmental or nongovernmental organization.

81 (4) EXECUTION AND REPORTING.--

82 (a) The executive director and Board of Trustees of the  
83 State Board of Administration, after reviewing the  
84 recommendations of and consulting with an independent research

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85 firm that specializes in global security risk, shall take  
86 appropriate action to sell, redeem, divest, or withdraw any  
87 investment held in violation of subsection (3). Such sale,  
88 redemption, divestment, or withdrawal shall be completed not  
89 later than 1 year following the effective date of this section.

90 (b) Within 60 days after the effective date of this  
91 section, the executive director of the State Board of  
92 Administration shall submit to the Governor, the President of  
93 the Senate, and the Speaker of the House of Representatives a  
94 report of all investments held as of such effective date that  
95 are in violation of this section. One year after the effective  
96 date of this section, the executive director shall report on  
97 the completion of all sales, redemptions, divestments, or  
98 withdrawals of such investments in compliance with this  
99 section.

100 Section 2. This act shall take effect upon becoming a law.