

1 HJR65
2 148957-1
3 By Representatives DeMarco and Carns
4 RFD:
5 First Read: 19-FEB-13

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8 ENCOURAGING RETIREMENT SYSTEMS OF ALABAMA, STATE
9 TREASURER, AND THE ALABAMA TRUST FUND TO REPORT ANNUALLY AND
10 DIVEST FROM CERTAIN COMPANIES.
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12 WHEREAS, Congress and the President have determined
13 that the illicit nuclear activities of the Government of Iran,
14 combined with its development of unconventional weapons and
15 ballistic missiles, and its support of international
16 terrorism, represent a serious threat to the security of the
17 United States, Israel, and other United States allies in
18 Europe, the Middle East, and around the world; and

19 WHEREAS, The International Atomic Energy Agency has
20 repeatedly called attention to Iran's unlawful nuclear
21 activities, and, as a result, the United Nations Security
22 Council has adopted a range of sanctions designed to encourage
23 the government of Iran to cease those activities and comply
24 with its obligations under the Treaty on the NonProliferation
25 of Nuclear Weapons; and

1 WHEREAS, The Comprehensive Iran Sanctions,
2 Accountability and Divestment Act of 2010 gives guidance and
3 authorization to the states to prevent investments in
4 companies that operate significant business in the energy or
5 weapons sectors of Iran. It has been determined that it is
6 prudent from a fiduciary perspective to identify and possibly
7 remove from all actively managed investment portfolios
8 companies that are deemed to be in violation of standards set
9 forth in this resolution. The portfolios to be monitored are
10 those managed by the Retirement Systems of Alabama, the Office
11 of the State Treasurer, and the Alabama Trust Fund. The Iran
12 divestment list will be constructed by the investment staff at
13 the Retirement Systems of Alabama using publicly available
14 information relevant to the issue. The investment staff will
15 use information provided by non-profit organizations that
16 pursue this matter, research firms, and federal and state
17 agencies that publish information on possible corporate
18 violators of Iran sanctions.

19 WHEREAS, threshold levels for compiling the
20 divestment list are as follows:

21 1. Companies that have invested \$20 million or more
22 in Iran's energy sector in any 12-month period since 2010.

23 2. Companies that do business with any Iranian
24 organization labeled as a terrorist organization by the U. S
25 Government.

1 3. Companies that help facilitate and finance the
2 acquisition of the materials needed by Iran to build out its
3 military operations; and

4 WHEREAS, the investment staff shall provide an
5 annual report of companies in violation of the outline above.
6 The report will be provided to the chair of each board and the
7 State Treasurer. An attempt will be made to contact the
8 companies listed in the annual report to remedy the matter
9 before divestment. If the company is unresponsive, then the
10 securities will be divested in a timely manner; and

11 WHEREAS, if the Iran sanctions are removed and Iran
12 is no longer on the State Sponsors of Terrorism, the
13 obligation to comply with the resolution will no longer be
14 binding; now therefore,

15 BE IT RESOLVED BY THE LEGISLATURE OF ALABAMA, BOTH
16 HOUSES THEREOF CONCURRING, That we encourage the Retirement
17 Systems of Alabama, the Office of the State Treasurer, and the
18 Alabama Trust Fund to report investment portfolio activity of
19 companies they manage that are in violation of certain
20 activity that supports Iran as specified above and if there
21 are not appropriate remedies of the violations, to divest in a
22 timely manner.