

SENATE BILL 3277

By McNally

AN ACT to amend Tennessee Code Annotated, Section 8-37-104, relative to the development and adoption of a policy providing for the divestment of Tennessee Consolidated Retirement System ownership in securities by companies operating in nations determined to be state-sponsors of terrorism.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 8-37-104, is amended by adding the following new subsection at the end thereof:

(d) The state treasurer is directed to develop and adopt a policy providing for the divestment of Tennessee consolidated retirement system ownership in securities issued by companies that (i) have substantial current operations in nations determined to be state-sponsors of terrorism, and (ii) that such operations are contrary to the foreign policy interests of the government of the United States. Such policy shall provide guidance on the timing of such divestment action, the procedures to be followed, and such other matters as the state treasurer deems appropriate and such policy shall be subject to the concurrence of the board of trustees. The treasurer shall implement such policy upon making a finding that the appropriate agencies of the United States government have certified a listing of companies meeting the criteria provided in both subitems (i) and (ii) of this subsection (d) above, such finding being subject to the concurrence of the board of trustees. It is the legislative intent that the divestment provided for under this subsection be implemented in such a manner that minimizes any impact on the financial performance of the investment portfolios.

SECTION 2. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the

act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.