

One Hundred Third Legislature - First Session - 2013

Introducer's Statement of Intent

LB77

Chairperson: Senator Jeremy Nordquist

Committee: Nebraska Retirement Systems

Date of Hearing: February 28, 2013

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB77 creates the Nebraska Iran Divestment Act.

It is the intent of the Legislature to divest state funds and funds administered by the state, including public employee retirement funds, from companies that support international terrorism promoted by the Islamic Republic of Iran.

The Office of the Nebraska Attorney General shall assemble a comprehensive list of scrutinized companies which hold contracts or provide supplies or services of power-production activities, mineral extraction activities or military equipment to the government of Iran. The Attorney General shall transmit list to the Chief Investment Officer. The Attorney General shall update the scrutinized list annually based on continuing information from nonprofit organizations, research firms, international organizations and governmental entities.

The Nebraska Investment Council shall not acquire any direct holding in a company on the scrutinized list unless such acquisition results in a breach of fiduciary duty of the Council. If the federal government excludes a company from the scrutinized list, it shall be exempt from this Act.

The Act shall not apply to direct holdings in a social or humanitarian development company; United States companies authorized by the government to have business operations in Iran; or indirect holdings in companies. The Attorney General shall submit letters to the managers of all indirect holdings of the Council and shall request that they avoid acquiring direct holdings of scrutinized companies. The Council shall submit to the Attorney General any information necessary to carry out this Act.

LB77 shall terminate if Iran is removed from the United States Department of State terrorism list or the United States President deems that state divestment legislation interferes with foreign policy.

Principal Introducer: _____

Senator Bill Avery

