

Amendment No.

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	<u> </u>	(Y/N)
ADOPTED AS AMENDED	<u> </u>	(Y/N)
ADOPTED W/O OBJECTION	<u> </u>	(Y/N)
FAILED TO ADOPT	<u> </u>	(Y/N)
WITHDRAWN	<u> </u>	(Y/N)
OTHER	<u> </u>	

1 Committee/Subcommittee hearing bill: Government Operations
 2 Subcommittee

3 Representative Hager offered the following:

4
 5 **Amendment (with title amendment)**

6 Remove everything after the enacting clause and insert:

7 Section 1. Subsection (20) of section 215.47, Florida
 8 Statutes, is amended to read:

9 215.47 Investments; authorized securities; loan of
 10 securities.—Subject to the limitations and conditions of the
 11 State Constitution or of the trust agreement relating to a trust
 12 fund, moneys available for investments under ss. 215.44-215.53
 13 may be invested as follows:

14 (20) Notwithstanding the provisions in subsection (5)
 15 limiting such investments to 25 percent of any fund, the board
 16 may invest up to 50 ~~no more than 35~~ percent of any fund in
 17 corporate obligations and securities of any kind of a foreign

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18 corporation or a foreign commercial entity having its principal
19 office located in any country other than the United States or
20 its possessions or territories, not including United States
21 dollar-denominated securities listed and traded on a United
22 States exchange that are a part of the ordinary investment
23 strategy of the board.

24 Section 2. Subsections (1) and (2), paragraph (e) of
25 subsection (3), and subsection (5) of section 215.473, Florida
26 Statutes, are amended to read:

27 215.473 Divestiture by the State Board of Administration;
28 Sudan; Iran.—

29 (1) DEFINITIONS.—As used in this act, the term:

30 (a) "Active business operations" means all business
31 operations that are not inactive business operations.

32 (b) "Business operations" means engaging in commerce in
33 any form in Sudan or Iran, including, but not limited to,
34 acquiring, developing, maintaining, owning, selling, possessing,
35 leasing, or operating equipment, facilities, personnel,
36 products, services, personal property, real property, or any
37 other apparatus of business or commerce.

38 (c) "Company" means a ~~any~~ sole proprietorship,
39 organization, association, corporation, partnership, joint
40 venture, limited partnership, limited liability partnership,
41 limited liability company, or other entity or business
42 association, including all wholly owned subsidiaries, majority-
43 owned subsidiaries, parent companies, or affiliates of such

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44 entities or business associations, that exists for the purpose
45 of making profit.

46 (d) "Complicit" means taking actions during any preceding
47 20-month period which have directly supported or promoted the
48 genocidal campaign in Darfur, including, ~~but not limited to,~~
49 preventing Darfur's victimized population from communicating
50 with each other; encouraging Sudanese citizens to speak out
51 against an internationally approved security force for Darfur;
52 actively working to deny, cover up, or alter the record on human
53 rights abuses in Darfur; or other similar actions.

54 (e) "Direct holdings" in a company means all securities of
55 that company that are held directly by the public fund or in an
56 account or fund in which the public fund owns all shares or
57 interests.

58 (f) "Government of Iran" means the government of Iran, its
59 instrumentalities, and companies owned or controlled by the
60 government of Iran.

61 (g) "Government of South Sudan" means the Republic of
62 South Sudan, that has its capital in Juba, South Sudan.

63 (h) ~~(g)~~ "Government of Sudan" means the Republic of the
64 Sudan that has its capital ~~government~~ in Khartoum, Sudan, ~~that~~
65 is led by the National Congress Party, formerly known as the
66 National Islamic Front, or any successor government formed on or
67 after October 13, 2006, including the coalition National Unity
68 Government agreed upon in the Comprehensive Peace Agreement for

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69 ~~Sudan, and does not include the regional government of southern~~
70 ~~Sudan.~~

71 (i)~~(h)~~ "Inactive business operations" means the mere
72 continued holding or renewal of rights to property previously
73 operated for the purpose of generating revenues but not
74 presently deployed for such purpose.

75 (j)~~(i)~~ "Indirect holdings" in a company means all
76 securities of that company that are held in a commingled an
77 ~~account or fund or other collective investment~~, such as a mutual
78 fund, ~~managed by one or more persons not employed by the public~~
79 ~~fund~~, in which the public fund owns shares or interests together
80 with other investors not subject to ~~the provisions of this~~
81 section act.

82 (k)~~(j)~~ "Iran" means the Islamic Republic of Iran.

83 (l)~~(k)~~ "Marginalized populations of Sudan" include, but
84 are not limited to, the portion of the population in the Darfur
85 region that has been genocidally victimized; the portion of the
86 population of South ~~southern~~ Sudan victimized by Sudan's north-
87 south civil war; the Beja, Rashidiya, and other similarly
88 underserved groups of eastern Sudan; the Nubian and other
89 similarly underserved groups in Sudan's Abyei, Southern Blue
90 Nile, and Nuba Mountain regions; and the Amri, Hamadab, Manasir,
91 and other similarly underserved groups of northern Sudan.

92 (m)~~(l)~~ "Military equipment" means weapons, arms, military
93 supplies, and equipment that may readily be used for military
94 purposes, including, but not limited to, radar systems,

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95 military-grade transport vehicles, or supplies or services sold
96 or provided directly or indirectly to any force actively
97 participating in armed conflict in Sudan.

98 (n)~~(m)~~ "Mineral-extraction activities" include the
99 exploring, extracting, processing, transporting, or wholesale
100 selling or trading of elemental minerals or associated metal
101 alloys or oxides (ore), including gold, copper, chromium,
102 chromite, diamonds, iron, iron ore, silver, tungsten, uranium,
103 and zinc, as well as facilitating such activities, including
104 providing supplies or services in support of such activities.

105 (o)~~(n)~~ "Oil-related activities" include, but are not
106 limited to, owning rights to oil blocks; exporting, extracting,
107 producing, refining, processing, exploring for, transporting,
108 selling, or trading of oil; constructing, maintaining, or
109 operating a pipeline, refinery, or other oil-field
110 infrastructure; and facilitating such activities, including
111 providing supplies or services in support of such activities,
112 except that the mere retail sale of gasoline and related
113 consumer products is not considered an oil-related activity.

114 (p)~~(o)~~ "Petroleum resources" means petroleum, petroleum
115 byproducts, or natural gas.

116 (q)~~(p)~~ "Power-production activities" means a ~~any~~ business
117 operation that involves a project commissioned by the National
118 Electricity Corporation (NEC) of Sudan or other similar entity
119 of the government of Sudan whose purpose is to facilitate power
120 generation and delivery, including, but not limited to,

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121 establishing power-generating plants or hydroelectric dams,
122 selling or installing components for the project, providing
123 service contracts related to the installation or maintenance of
124 the project, as well as facilitating such activities, including
125 providing supplies or services in support of such activities.

126 ~~(r)(q)~~ "Public fund" means all funds, assets, trustee, and
127 other designates under the State Board of Administration
128 pursuant to chapter 121.

129 ~~(s)(r)~~ "Scrutinized active business operations" means
130 active business operations that result ~~have resulted~~ in a
131 company becoming a scrutinized company.

132 ~~(t)(s)~~ "Scrutinized business operations" means business
133 operations that result ~~have resulted~~ in a company becoming a
134 scrutinized company.

135 ~~(u)(t)~~ "Scrutinized company" means a ~~any~~ company that
136 meets any of the following criteria:

137 1. The company has business operations that involve
138 contracts with or provision of supplies or services to the
139 government of Sudan, companies in which the government of Sudan
140 has a ~~any~~ direct or indirect equity share, consortiums or
141 projects commissioned by the government of Sudan, or companies
142 involved in consortiums or projects commissioned by the
143 government of Sudan, and:

144 a. More than 10 percent of the company's revenues or
145 assets linked to Sudan involve oil-related activities or
146 mineral-extraction activities; less than 75 percent of the

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147 company's revenues or assets linked to Sudan involve contracts
148 with or provision of oil-related or mineral-extracting products
149 or services to the ~~regional~~ government of South ~~southern~~ Sudan
150 ~~or a project or consortium created exclusively by that regional~~
151 ~~government~~; and the company has failed to take substantial
152 action; or

153 b. More than 10 percent of the company's revenues or
154 assets linked to Sudan involve power-production activities; less
155 than 75 percent of the company's power-production activities
156 include projects whose intent is to provide power or electricity
157 to the marginalized populations of Sudan; and the company has
158 failed to take substantial action.

159 2. The company is complicit in the Darfur genocide.

160 3. The company supplies military equipment within Sudan,
161 unless it clearly shows that the military equipment cannot be
162 used to facilitate offensive military actions in Sudan or the
163 company implements rigorous and verifiable safeguards to prevent
164 use of that equipment by forces actively participating in armed
165 conflict. Examples of safeguards include post-sale tracking of
166 such equipment by the company, certification from a reputable
167 and objective third party that such equipment is not being used
168 by a party participating in armed conflict in Sudan, or sale of
169 such equipment solely to the ~~regional~~ government of South
170 ~~southern~~ Sudan or any internationally recognized peacekeeping
171 force or humanitarian organization.

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172 4. The company has business operations that involve
173 contracts with or provision of supplies or services to the
174 government of Iran, companies in which the government of Iran
175 has any direct or indirect equity share, consortiums, or
176 projects commissioned by the government of Iran, or companies
177 involved in consortiums or projects commissioned by the
178 government of Iran and:

179 a. More than 10 percent of the company's total revenues or
180 assets are linked to Iran and involve oil-related activities or
181 mineral-extraction activities, ~~+~~ and the company has failed to
182 take substantial action; or

183 b. The company has, with actual knowledge, on or after
184 August 5, 1996, made an investment of \$20 million or more, or
185 any combination of investments of at least \$10 million each,
186 which in the aggregate equals or exceeds \$20 million in any 12-
187 month period, and which directly or significantly contributes to
188 the enhancement of Iran's ability to develop the petroleum
189 resources of Iran.

190 ~~(v)(u)~~ "Social-development company" means a company whose
191 primary purpose in Sudan is to provide humanitarian goods or
192 services, including medicine or medical equipment; agricultural
193 supplies or infrastructure; educational opportunities;
194 journalism-related activities; information or information
195 materials; spiritual-related activities; services of a purely
196 clerical or reporting nature; food, clothing, or general

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197 consumer goods that are unrelated to oil-related activities;
198 mineral-extraction activities; or power-production activities.

199 ~~(w)~~ ~~(v)~~ "Substantial action specific to Iran" means
200 adopting, publicizing, and implementing a formal plan to cease
201 scrutinized business operations within 1 year and to refrain
202 from ~~any~~ such new business operations.

203 ~~(x)~~ ~~(w)~~ "Substantial action specific to Sudan" means
204 adopting, publicizing, and implementing a formal plan to cease
205 scrutinized business operations within 1 year and to refrain
206 from ~~any~~ such new business operations; undertaking humanitarian
207 efforts in conjunction with an international organization, the
208 government of Sudan, the ~~regional~~ government of South ~~southern~~
209 Sudan, or a nonprofit entity evaluated and certified by an
210 independent third party to be substantially in a relationship to
211 the company's Sudan business operations and of benefit to one or
212 more marginalized populations of Sudan; or, through engagement
213 with the government of Sudan, materially improving conditions
214 for the genocidally victimized population in Darfur.

215 (2) IDENTIFICATION OF COMPANIES.—

216 (a) Within 90 days after June 8, 2007 ~~the effective date~~
217 ~~of this act~~, the public fund shall make its best efforts to
218 identify all scrutinized companies in which the public fund has
219 direct or indirect holdings or could possibly have such holdings
220 in the future. Such efforts include:

221 1. Reviewing and relying, as appropriate in the public
222 fund's judgment, on publicly available information regarding

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223 companies having business operations in Sudan, including
224 information provided by nonprofit organizations, research firms,
225 international organizations, and government entities;

226 2. Contacting asset managers contracted by the public fund
227 which ~~that~~ invest in companies having business operations in
228 Sudan; or

229 3. Contacting other institutional investors that have
230 divested from or engaged with companies that have business
231 operations in Sudan.

232 4. Reviewing the laws of the United States regarding the
233 levels of business activity that would cause application of
234 sanctions for companies conducting business or investing in
235 countries that are designated state sponsors of terror.

236 (b) By the first meeting of the public fund following the
237 90-day period described in paragraph (a), the public fund shall
238 assemble all scrutinized companies that fit criteria specified
239 in subparagraphs (1)(u)1., 2., and 3. ~~(1)(t)1., 2., and 3.~~ into
240 a "Scrutinized Companies with Activities in Sudan List" and
241 ~~shall assemble~~ all scrutinized companies that fit criteria
242 specified in subparagraph (1)(u)4. ~~(1)(t)4.~~ into a "Scrutinized
243 Companies with Activities in the Iran Petroleum Energy Sector
244 List."

245 (c) The public fund shall update and make publicly
246 available quarterly the Scrutinized Companies with Activities in
247 Sudan List and the Scrutinized Companies with Activities in the

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248 Iran Petroleum Energy Sector List based on evolving information
249 from, among other sources, those listed in paragraph (a).

250 (d) Notwithstanding the provisions of this section ~~act~~, a
251 social-development company that is not complicit in the Darfur
252 genocide is not considered a scrutinized company under
253 subparagraph (1)(u)1. ~~(1)(t)1.~~, subparagraph (1)(u)2. ~~(1)(t)2.~~,
254 or subparagraph (1)(u)3 ~~(1)(t)3.~~

255 (3) REQUIRED ACTIONS.—The public fund shall adhere to the
256 following procedure for assembling companies on the Scrutinized
257 Companies with Activities in Sudan List and the Scrutinized
258 Companies with Activities in the Iran Petroleum Energy Sector
259 List:

260 (e) *Excluded securities.*—

261 1. Notwithstanding the provisions of this act, paragraphs
262 (b) and (c) do not apply to indirect holdings in actively
263 managed investment funds. However, the public fund shall submit
264 letters to the managers of such investment funds containing
265 companies that have scrutinized active business operations
266 requesting that they consider removing such companies from the
267 fund or create a similar actively managed fund having indirect
268 holdings devoid of such companies. If the manager creates a
269 similar fund, the public fund shall replace all applicable
270 investments with investments in the similar fund in an expedited
271 timeframe consistent with prudent investing standards. For the
272 purposes of this section, a private equity fund is deemed to be
273 an actively managed investment fund.

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274 2. Notwithstanding the provisions of this section,
275 paragraphs (b) and (c) do not apply to exchange-traded funds.

276 (5) EXPIRATION.—This act expires upon the occurrence of
277 all of the following:

278 (a) If any of the following occur, the public fund shall
279 no longer scrutinize companies according to subparagraphs
280 (1) (u) 1., 2., and 3. ~~(1) (t) 1., 2., and 3.~~ and shall no longer
281 assemble the Scrutinized Companies with Activities in Sudan
282 List, shall cease engagement and divestment of such companies,
283 and may reinvest in such companies if ~~as long as~~ such companies
284 do not satisfy the criteria for inclusion in the Scrutinized
285 Companies with Activities in the Iran Petroleum Energy Sector
286 List:

287 1. The Congress or President of the United States,
288 affirmatively and unambiguously states, by means including, but
289 not limited to, legislation, executive order, or written
290 certification from the President to Congress, that the Darfur
291 genocide has been halted for at least 12 months;

292 2. The United States revokes all sanctions imposed against
293 the government of Sudan;

294 3. The Congress or President of the United States
295 affirmatively and unambiguously states, by means including, but
296 not limited to, legislation, executive order, or written
297 certification from the President to Congress, that the
298 government of Sudan has honored its commitments to cease attacks
299 on civilians, demobilize and demilitarize the Janjaweed and

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300 associated militias, grant free and unfettered access for
301 deliveries of humanitarian assistance, and allow for the safe
302 and voluntary return of refugees and internally displaced
303 persons; or

304 4. The Congress or President of the United States
305 affirmatively and unambiguously states, by means including, but
306 not limited to, legislation, executive order, or written
307 certification from the President to Congress, that mandatory
308 divestment of the type provided for in this section ~~act~~
309 interferes with the conduct of United States foreign policy.

310 (b) If any of the following occur, the public fund shall
311 no longer scrutinize companies according to subparagraph
312 (1)(u)4. ~~(1)(t)4.~~ and shall no longer assemble the Scrutinized
313 Companies with Activities in the Iran Petroleum Energy Sector
314 List and shall cease engagement, investment prohibitions, and
315 divestment. The public fund may reinvest in such companies if ~~as~~
316 ~~long as~~ such companies do not satisfy the criteria for inclusion
317 in the Scrutinized Companies with Activities in Sudan List:

318 1. The Congress or President of the United States
319 affirmatively and unambiguously states, by means including, but
320 not limited to, legislation, executive order, or written
321 certification from the President to Congress, that the
322 government of Iran has ceased to acquire weapons of mass
323 destruction and support international terrorism;

324 2. The United States revokes all sanctions imposed against
325 the government of Iran; or

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326 3. The Congress or President of the United States
327 affirmatively and unambiguously declares, by means including,
328 but not limited to, legislation, executive order, or written
329 certification from the President to Congress, that mandatory
330 divestment of the type provided for in this section ~~act~~
331 interferes with the conduct of United States foreign policy.

332 Section 3. Section 624.449, Florida Statutes, is created
333 to read:

334 624.449 Insurer investment in foreign companies.— A
335 domestic insurer must provide to the office on a quarterly
336 basis, a list of investments that the domestic insurer has in
337 companies included on the "Scrutinized Companies with Activities
338 in Sudan List" and "Scrutinized Companies with Activities in the
339 Iran Petroleum Energy Sector List," compiled by the State Board
340 of Administration pursuant to s. 215.473(2). This list must
341 include the name of the issuer and the stock, bond, security,
342 and other evidence of indebtedness.

343 Section 4. If any provision of this act or the application
344 thereof to any person or circumstance is held invalid, the
345 invalidity does not affect other provisions or applications of
346 the act which can be given effect without the invalid provision
347 or application, and to this end the provisions of this act are
348 declared severable.

349 Section 5. This act shall take effect July 1, 2014.
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T I T L E A M E N D M E N T

Remove everything before the enacting clause and insert:
An act relating to foreign investments; amending s. 215.47,
F.S.; revising the percentage of investments that the State
Board of Administration may invest in foreign securities;
amending s. 215.473, F.S.; revising and providing definitions
with respect to requirements that the board divest securities in
which public moneys are invested in certain companies doing
specified types of business in or with Sudan or Iran; revising
exclusions from the divestment requirements; conforming cross-
references; creating s. 624.449, F.S.; requiring insurers to
identify and report on specified investments; providing for
severability; providing an effective date.