



General Assembly

January Session, 2019

Raised Bill No. 7084

LCO No. 3449



Referred to Committee on GOVERNMENT ADMINISTRATION
AND ELECTIONS

Introduced by:
(GAE)

***AN ACT CONCERNING THE DIVESTMENT OF STATE FUNDS
INVESTED IN COMPANIES DOING BUSINESS IN VENEZUELA.***

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2019*) (a) For the purposes of
2 this section:

3 (1) "Company" means any corporation, utility, partnership, joint
4 venture, franchisor, franchisee, trust, entity investment vehicle,
5 financial institution or other entity or business association, including
6 all wholly-owned subsidiaries, majority-owned subsidiaries, parent
7 companies or affiliates of such entities or business associations that
8 exist for the purpose of making profit;

9 (2) "Doing business in Venezuela" means engaging in commerce in
10 any form in Venezuela, including maintaining equipment, facilities,
11 personnel or other apparatus of business or commerce in Venezuela,
12 including, but not limited to, the lease or ownership of real or personal
13 property in Venezuela or engaging in any business activity with the

14 government of Venezuela;

15 (3) "Invest" means the commitment of funds or other assets to a
16 company, including, but not limited to, the ownership or control of a
17 share or interest in the company, and the ownership or control of a
18 bond or other debt instrument by the company;

19 (4) "Venezuela" means the Bolivarian Republic of Venezuela,
20 including its government and any of its agencies, instrumentalities or
21 political subdivisions;

22 (5) "Oil-related activities" include, but are not limited to, activities
23 such as (A) owning rights to oil blocks, (B) exporting, extracting,
24 producing, refining, processing, exploring for, transporting, selling or
25 trading of oil, (C) constructing, maintaining or operating a pipeline,
26 refinery or other oil field infrastructure, and (D) facilitating such
27 activities, including providing supplies and services in support of such
28 activities, but do not include the selling of retail gasoline and related
29 consumer products; and

30 (6) "Petroleum resources" means petroleum, petroleum byproducts
31 and natural gas.

32 (b) The State Treasurer shall review the major investment holdings
33 of the state for the purpose of determining the extent to which state
34 funds are invested in companies doing business in Venezuela.
35 Whenever feasible and consistent with the fiduciary duties of the State
36 Treasurer, the State Treasurer shall encourage companies in which
37 state funds are invested and that are doing business in Venezuela, as
38 identified by the United States Department of Treasury's Office of
39 Foreign Assets Control or the State Treasurer, to act responsibly and
40 not take actions that promote or otherwise enable Venezuela's
41 corruption and the impoverishment of the Venezuelan people.

42 (c) The State Treasurer (1) may divest, decide to not further invest
43 state funds or not enter into any future investment in any company
44 doing business in Venezuela; and (2) shall divest and not further invest

45 in any security or instrument issued by Venezuela. In determining
46 whether to divest state funds in accordance with the provisions of
47 subdivision (1) of this subsection, the factors that the Treasurer shall
48 consider shall include, but need not be limited to, the following: (A)
49 Revenues paid by such company directly to the government of
50 Venezuela; (B) whether the company is doing business in Venezuela
51 that involves contracts with or provision of supplies or services to (i)
52 the government of Venezuela, (ii) companies in which the government
53 of Venezuela has any direct or indirect equity share, (iii) consortia or
54 projects commissioned by the government of Venezuela, or (iv)
55 companies involved in consortia or projects commissioned by the
56 government of Venezuela where such business involves oil-related
57 activities, investments that directly and significantly contribute to the
58 development of Venezuela's petroleum resources or any other business
59 activity that has been made the subject of economic sanctions imposed
60 by the United States government; (C) whether such company
61 knowingly obstructs lawful inquiries into its operations and
62 investments in Venezuela; (D) whether such company attempts to
63 circumvent any applicable sanctions of the United States; (E) the extent
64 of any humanitarian activities undertaken by such company in
65 Venezuela; (F) whether such company is authorized by the federal
66 government of the United States to do business in Venezuela; and (G)
67 any other factor that the Treasurer deems prudent. In the event that the
68 Treasurer determines that divestment of state funds is warranted from
69 a company in which state funds are invested due to such company
70 doing business in Venezuela, the Treasurer shall give notice to such
71 company that such funds shall be divested from such company for as
72 long as such company does business in Venezuela.

73 (d) The State Treasurer shall, at least once per fiscal year, provide a
74 report to the Investment Advisory Council on actions taken by the
75 Treasurer pursuant to the provisions of this section.

<p>This act shall take effect as follows and shall amend the following sections:</p>
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Section 1	October 1, 2019	New section
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Statement of Purpose:

To require the Treasurer to consider divesting state funds invested in companies doing business in Venezuela.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]