
By: **Delegates Marriott, Anderson, Benson, Bobo, Boteler, Branch, Brown, Burns, Cane, Carter, G. Clagett, D. Davis, Gaines, Goodwin, Griffith, Gutierrez, Harrison, Haynes, Holmes, Howard, Hubbard, Jones, Kelley, Kirk, Kohl, Madaleno, Montgomery, Murray, Nathan-Pulliam, Oaks, Paige, Parker, Patterson, Proctor, Pugh, Ramirez, Rosenberg, Ross, Shewell, Taylor, V. Turner, and Vaughn**

Introduced and read first time: February 9, 2006
Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Divestment from the Republic of Sudan**

3 FOR the purpose of providing that certain investment managers selected by the
4 Board of Trustees for the State Retirement and Pension System may not invest
5 certain funds in public obligations of certain companies having a certain equity
6 tie to the government of the Republic of Sudan or its instrumentalities;
7 requiring the Board of Trustees to review certain recommendations submitted to
8 the Board of Trustees by a certain research firm; requiring the Board of Trustees
9 to take certain actions regarding certain investments within a certain period of
10 time; authorizing the Board of Trustees to delay certain actions under certain
11 circumstances; requiring the Board of Trustees for the State Retirement and
12 Pension System to submit certain reports containing certain information to the
13 Joint Committee on Pensions by a certain date; defining certain terms; and
14 generally relating to sanctions against the Republic of Sudan.

15 BY adding to
16 Article - State Personnel and Pensions
17 Section 21-1A-01 through 21-1A-04, inclusive, to be under the new subtitle
18 "Subtitle 1A. Divestment from the Republic of Sudan"
19 Annotated Code of Maryland
20 (2004 Replacement Volume and 2005 Supplement)

21 **Preamble**

22 WHEREAS, The State of Maryland is deeply concerned over the poor human
23 rights situation in Sudan, calls for stepped-up international efforts to end the crisis
24 in Sudan's Darfur region, and concurs with the policy of the United States that has
25 officially declared that genocide is ongoing in the Sudan; and

1 WHEREAS, Despite significant pressure from the United States government,
2 the Republic of Sudan has not taken all the necessary actions to disassociate itself
3 fully from its ties to terrorism; and

4 WHEREAS, The Republic of Sudan places severe limitations on the political and
5 religious freedoms of the Sudanese people despite promises of improvement and
6 pledges to end the 20-year civil war between the government and the Sudan People's
7 Liberation Movement; and

8 WHEREAS, The Republic of Sudan violates the rules of war by deliberately
9 attacking civilians and, since 1983, the war and famine-related effects have led to
10 more than two million deaths and over four million people displaced; and

11 WHEREAS, The Republic of Sudan continues to engage in arbitrary arrest,
12 prolonged detention, extra-judicial killings, torture, and rape of the Sudanese people;
13 and

14 WHEREAS, The most sobering violation of human rights in Sudan is the
15 existence of slavery-like indenture, and the pro-government militia continues to
16 engage in abduction and slavery with impunity; now, therefore,

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
18 MARYLAND, That the Laws of Maryland read as follows:

19 **Article - State Personnel and Pensions**

20 **SUBTITLE 1A. DIVESTMENT FROM THE REPUBLIC OF SUDAN.**

21 21-1A-01.

22 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
23 INDICATED.

24 (B) "EQUITY TIE" MEANS THE PRESENCE OF:

25 (1) MANUFACTURING OR MINING PLANTS;

26 (2) EMPLOYEES OR ADVISORS;

27 (3) FACILITIES; OR

28 (4) AN INVESTMENT, FIDUCIARY, MONETARY, OR PHYSICAL PRESENCE
29 OF ANY KIND.

30 (C) "HUMANITARIAN AID" MEANS:

31 (1) PROVIDING GOODS AND SERVICES INTENDED TO RELIEVE HUMAN
32 SUFFERING; OR

1 (2) PROMOTING THE GENERAL WELFARE, HEALTH, AND RELIGIOUS AND
2 SPIRITUAL ACTIVITIES OF INDIVIDUALS.

3 21-1A-02.

4 (A) AN EXTERNAL INVESTMENT MANAGER SELECTED BY THE BOARD OF
5 TRUSTEES MAY NOT INVEST ANY FUNDS ALLOCATED TO THE MANAGER IN ANY
6 FOREIGN COMPANY WITH AN EQUITY TIE TO THE GOVERNMENT OF THE REPUBLIC
7 OF SUDAN OR ITS INSTRUMENTALITIES.

8 (B) THIS SECTION DOES NOT APPLY TO THE ACTIVITIES OF ANY FOREIGN
9 COMPANY PROVIDING HUMANITARIAN AID TO THE SUDANESE PEOPLE THROUGH
10 EITHER A GOVERNMENTAL OR NONGOVERNMENTAL ORGANIZATION.

11 21-1A-03.

12 (A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, THE BOARD
13 OF TRUSTEES SHALL, AFTER REVIEWING THE RECOMMENDATIONS OF, AND
14 CONSULTING WITH, AN INDEPENDENT RESEARCH FIRM THAT SPECIALIZES IN
15 GLOBAL SECURITY RISK FOR PORTFOLIO DETERMINATIONS SELECTED BY THE
16 BOARD OF TRUSTEES, TAKE APPROPRIATE ACTION TO IMMEDIATELY SELL, REDEEM,
17 DIVEST, OR WITHDRAW ANY INVESTMENT HELD IN VIOLATION OF THIS SUBTITLE.

18 (B) IF THE IMMEDIATE SALE, REDEMPTION, DIVESTMENT, OR WITHDRAWAL
19 OF AN INVESTMENT HELD IN VIOLATION OF THIS SUBTITLE WOULD RESULT IN THE
20 PREMATURE OR OTHERWISE IMPRUDENT SALE, REDEMPTION, DIVESTMENT, OR
21 WITHDRAWAL OF AN INVESTMENT, THE BOARD OF TRUSTEES MAY DELAY ANY
22 ACTION UNDER SUBSECTION (A) OF THIS SECTION FOR NO MORE THAN 3 YEARS
23 FOLLOWING JULY 1, 2006.

24 21-1A-04.

25 (A) ON OR BEFORE SEPTEMBER 1, 2006, THE BOARD OF TRUSTEES SHALL
26 SUBMIT TO THE CHAIRMAN OF THE JOINT COMMITTEE ON PENSIONS A REPORT OF
27 ALL INVESTMENTS HELD AS OF JULY 1, 2006, THAT ARE IN VIOLATION OF THE
28 PROVISIONS OF THIS ACT.

29 (B) BEGINNING SEPTEMBER 1, 2007, AND EVERY YEAR THEREAFTER, THE
30 BOARD OF TRUSTEES SHALL SUBMIT TO THE CHAIRMAN OF THE JOINT COMMITTEE A
31 REPORT INCLUDING:

32 (1) ALL INVESTMENTS SOLD, REDEEMED, DIVESTED, OR WITHDRAWN IN
33 COMPLIANCE WITH THE PROVISIONS OF THIS ACT; AND

34 (2) A DESCRIPTION OF THE PROGRESS THE BOARD OF TRUSTEES HAS
35 MADE SELLING, REDEEMING, DIVESTING, OR WITHDRAWING ALL INVESTMENTS
36 HELD IN VIOLATION OF THIS ACT SINCE SUBMITTING THE PREVIOUS REPORT.

37 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
38 July 1, 2006.

