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SENATE BILL NO. 462

Offered January 13, 2016

Prefiled January 12, 2016

A *BILL to amend the Code of Virginia by adding in Article 3.1 of Chapter 1 of Title 51.1 a section numbered 51.1-124.38, relating to investments by the Virginia Retirement System.*

Patron—Carrico (By Request)

Referred to Committee on Finance**Be it enacted by the General Assembly of Virginia:**

1. That the Code of Virginia is amended by adding in Article 3.1 of Chapter 1 of Title 51.1 a section numbered 51.1-124.38 as follows:

§ 51.1-124.38. Investments.

A. For the purposes of this section:

"Business operations" means engaging in commerce in any form, including by acquiring, developing, maintaining, owning, selling, possessing, leasing, or operating equipment, facilities, personnel, products, services, personal property, real property, or any other apparatus of business or commerce.

"Company" means any sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company, or other entity or business association, including all wholly owned subsidiaries, majority-owned subsidiaries, parent companies, or affiliates of such entities or business associations, that exists for profit-making purposes.

"Direct holdings" in a company means all securities of that company held directly by the public fund or in an account or fund in which the public fund owns all shares or interests.

"Inactive business operations" means the mere continued holding or renewal of rights to property previously operated for the purpose of generating revenues but not presently deployed for such purpose.

B. The Board shall not invest in any company that has substantial current business operations in Iran. The Board shall divest itself of direct holdings in any company that is identified as having substantial business operations in Iran within six months of such identification, but shall not be required to divest itself of direct holdings in any company with inactive business operations.

C. If any company whose direct holdings are divested ceases to have substantial business operations in Iran, the restriction on investing pursuant to subsection B shall cease to apply unless and until the company resumes substantial business operations in Iran.

2. That the Board shall divest any current direct holdings of the Virginia Retirement System in companies that have current substantial current business operations in Iran by January 1, 2017.

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