

ASSEMBLY, No. 815

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:
Assemblyman ANTHONY S. VERRELLI
District 15 (Hunterdon and Mercer)

SYNOPSIS

Prohibits State from investing pension and annuity funds in companies that operate private correctional facilities.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ACT** prohibiting the State from investing pension and annuity
2 funds in companies that operate private correctional facilities and
3 supplementing P.L.1950, c.270 (C.52:18A-79 et seq.).
4

5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*
7

8 1. a. As used in this section:

9 “Private correctional facility” means any private facility
10 detaining persons pursuant to any governmental service agreement
11 or other contract with any federal, State, or county agency,
12 including but not limited to United States Immigration and Customs
13 Enforcement, but not including any private facility authorized under
14 the provisions of section 1 of P.L.1999, c.243 (C.30:4-91.9).

15 b. Notwithstanding any provision of law to the contrary, no
16 assets of any pension or annuity fund under the jurisdiction of the
17 Division of Investment in the Department of Treasury, or its
18 successor, shall be invested in any company that operates a private
19 correctional facility.

20 c. The State Investment Council and the Director of the Division
21 of Investment shall take appropriate action to sell, redeem, divest,
22 or withdraw any investment held in violation of subsection b. of this
23 section. This section shall not be construed to require the premature
24 or otherwise imprudent sale, redemption, divestment, or withdrawal
25 of an investment, but such sale, redemption, divestment, or
26 withdrawal shall be completed not later than 24 months following
27 the effective date of this act.

28 d. Within 120 days after the effective date of this act, the
29 Director of Division of Investment shall file with the Legislature,
30 pursuant to section 2 of P.L.1991, c.164 (C:52:14-19.1), a report of
31 all investments held as of the effective date that are in violation of
32 subsection b. of this section.

33 One year thereafter, and every subsequent year on the
34 anniversary of the effective date of this act, the director shall report
35 on all investments sold, redeemed, divested, or withdrawn in
36 compliance with subsection c. of this section. Each report after the
37 initial report shall provide a description of the progress that the
38 division has made since the previous report and since the enactment
39 of this act in implementing subsection c. of this section.

40 e. The members of the State Investment Council, jointly and
41 individually, and State officers and employees involved therewith,
42 shall be indemnified and held harmless by the State of New Jersey
43 from all claims, demands, suits, actions, damages, judgments, costs,
44 charges, and expenses, including court costs and attorney’s fees,
45 and against all liabilities, losses, and damages that these council
46 members, and State officers and employees, may sustain by reason
47 of any decision to restrict, reduce, or eliminate investment pursuant
48 to this act.

1 2. This act shall take effect immediately.

2

3

4

STATEMENT

5

6 This bill prohibits the State of New Jersey from investing assets
7 of any pension or annuity fund managed by the Director of the
8 Division of Investment in the Department of Treasury in companies
9 that operate private correctional facilities.

10 The State Investment Council and the Director of the Division of
11 Investment shall have up to two years to divest from existing
12 investments that are held in violation of the prohibition.

13 The bill also requires the State Investment Council and the
14 Director of the Division of Investment to submit an initial report on
15 its prohibited investments and subsequent annual reports towards
16 their progress to comply with the prohibition.