ASSEMBLY, No. 3102

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 24, 2020

Sponsored by:
Assemblyman JOHN F. MCKEON
District 27 (Essex and Morris)

SYNOPSIS

Prohibits investment by State of pension and annuity funds in companies manufacturing, importing, and selling assault firearms for civilian use.

CURRENT VERSION OF TEXT

As introduced.

AN ACT prohibiting the investment by the State of pension and annuity funds in companies manufacturing, importing, and selling assault firearms for civilian use, and supplementing P.L.1950, c.270 (C.52:18A-79 et seq.).

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

1. a. As used in this section:

"Assault firearm" means "assault firearm" as the term is defined in subsection w. of N.J.S.2C:39-1.

"Equity tie" means manufacturing plants, employees or advisors, facilities or an investment of any kind, including an ownership stake in one or more subsidiaries or joint ventures with one or more companies.

b. Notwithstanding any provision of law to the contrary, no assets of any pension or annuity fund under the jurisdiction of the Division of Investment in the Department of the Treasury, or its successor, shall be invested in any company that has an equity tie to manufacturers, importers or sellers of assault firearms for civilian use. The prohibition shall not apply to companies that manufacture, import or sell assault firearms for the exclusive use by nations' official military organizations and law enforcement agencies.

c. The State Investment Council and the Director of the Division of Investment shall take appropriate action to divest any investment held in violation of subsection b. of this section. This section shall not be construed to require the premature or otherwise imprudent divestment of an investment, but such divestment shall be completed not later than three years following the effective date of P.L. , c. (C.) (pending before the Legislature as this bill).

d. Within 60 days after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) the Director of the Division of Investment shall file with the Legislature, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), a report of all investments held as of the effective date that are in violation of subsection b. of this section. Every year thereafter, the director shall report on all investments divested in compliance with subsection c. of this section.

Each report after the initial report shall provide a description of the progress that the division has made since the previous report and since the enactment of P.L. , c. (C.) (pending before the Legislature as this bill) in implementing subsection b. of this section.

e. State Investment Council members, jointly and individually, and State officers and employees involved therewith, shall be indemnified and held harmless by the State of New Jersey from all claims, demands, suits, actions, damages, judgments, costs, charges and expenses, including court costs and attorney's fees, and against

all liability, losses and damages that these State Investment Council members, and State officers and employees, may sustain by reason of any decision to restrict, reduce or eliminate investments pursuant to this act.

2. This act shall take effect immediately.

STATEMENT

This bill prohibits the State of New Jersey from investing any assets of any pension or annuity fund under the management of the Division of Investment in the Department of the Treasury in companies that manufacture, import, or sell assault firearms for civilian use. The bill exempts from the ban investments in companies that manufacture, import or sell assault firearms for the exclusive use by nations' official military organizations and law enforcement agencies. As for existing investments that are held in violation of the prohibition, the Division of Investment has up to three years to divest from the prohibited companies. The bill's definition of assault firearms is identical to the definition of the term under the existing New Jersey ban on the sale of assault firearms under N.J.S.A.2C:39-1.