SENATE, No. 745

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:
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SYNOPSIS

Prohibits State from investing pension and annuity funds in manufacturers of firearms or firearm ammunition.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.

AN ACT prohibiting the State from investing pension and annuity funds in companies that manufacture firearms or firearm ammunition 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:

"Firearm" means "firearm" as the term is defined in subsection f. of N.J.S.2C:39-1 except that "firearm" shall not include any firearm which is in the nature of an air gun, spring gun or pistol or other weapon of a similar nature in which the propelling force is a spring, elastic band, carbon dioxide, compressed or other gas or vapor, air or compressed air, or is ignited by compressed air, and ejecting a bullet or missile smaller than three-eighths of an inch in diameter, with sufficient force to injure a person.

"Manufacturer" means any company that processes raw materials or parts into firearms, firearm ammunition, or finished parts of firearms or firearm ammunition.

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 manufacturer of firearms or firearm ammunition.

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

d. Within 120 days after the effective date of this act, 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. The State Investment Council and the Director of the Division of Investment shall use its best efforts to identify all manufacturers of firearms or firearm ammunition and these efforts shall include, but are not limited to, the following, as appropriate in the judgment of the State Investment Council and the Director of the Division of Investment:

(1) reviewing and relying on publicly available information regarding manufacturers of firearms or firearm ammunition, including information provided by non-profit organizations, research firms, and government entities;

(2) contacting other institutional investors that have divested from manufacturers of firearms or firearm ammunition; and

(3) retaining an independent research firm to identify manufacturers of firearms or firearm ammunition.

One year thereafter, and every subsequent year on the anniversary of the effective date of this act, the director shall report on all investments sold, redeemed, divested, or withdrawn in compliance with subsection b. of this section. The report shall provide a description of the progress that the division has made since the previous report and since the effective date of this act in implementing subsection c. of this section.

e. The members of the State Investment Council, 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 liabilities, losses, and damages that these council members, and State officers and employees, may sustain by reason of any decision to restrict, reduce, or eliminate investment pursuant to this act.

2. This act shall take effect immediately.

STATEMENT

This bill prohibits the State of New Jersey from investing assets of any pension or annuity fund managed by the Director of the Division of Investment in the Department of the Treasury in companies that manufacture firearms or firearm ammunition.

As for existing investments that are held in violation of the prohibition, the State Investment Council and the Director of the Division of Investment have up to two years to divest from the prohibited companies.

The bill also requires the State Investment Council and the Director of the Division of Investment to submit an initial report on its prohibited investments and thereafter to submit annual reports on its progress towards compliance with the prohibition.

According to data produced by the Center for Disease Control and Prevention more than a half million people died in the U.S. as a result of a firearm injury between the years 2000 and 2015. Firearm manufacturers are the source through which perpetrators of firearm deaths obtain their weapons. Through this bill, the State of New Jersey seeks to eliminate any contribution it makes to, or profits from, firearms or ammunition manufacturers.