

[First Reprint]

ASSEMBLY, No. 917

STATE OF NEW JERSEY

208th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 1998 SESSION

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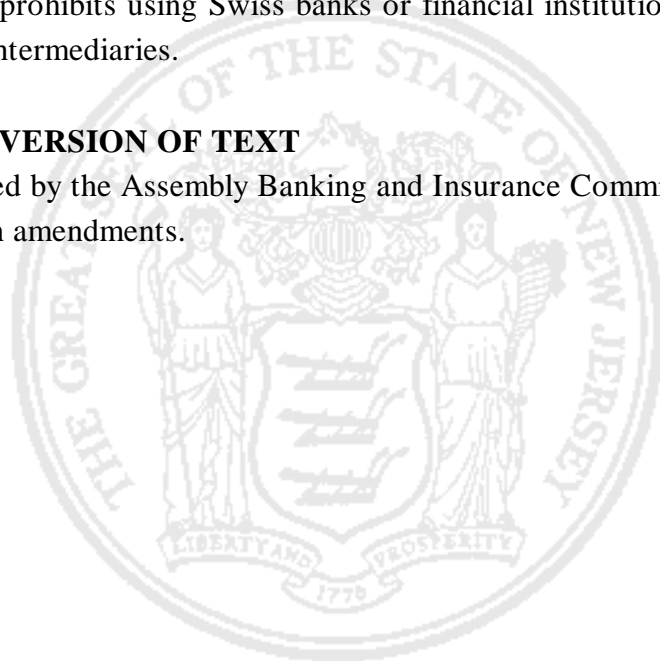
Assemblyman Blee

SYNOPSIS

Prohibits pension fund deposits or investments in Swiss banks or financial institutions; prohibits using Swiss banks or financial institutions as financial advisors or intermediaries.

CURRENT VERSION OF TEXT

As reported by the Assembly Banking and Insurance Committee on March 2, 1998, with amendments.



(Sponsorship Updated As Of: 3/17/1998)

1 AN ACT concerning the deposit or investment of certain public funds
2 and the use of certain financial advisors or intermediaries and
3 supplementing Title 52 of the Revised Statutes.

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

7
8 1. The Legislature finds and declares that:

9 a. Because of the efforts of the United States Senate Banking
10 Committee, it has come to the world's attention that, in the words of
11 Senator Alfonse D'Amato, Switzerland "blatantly benefitted from the
12 Holocaust";

13 b. Switzerland benefitted by using the funds of European Jews
14 deposited in Swiss banks during World War II to compensate Swiss
15 citizens for property expropriated by former communist regimes;

16 c. In a 1949 secret agreement with Poland, Switzerland used the
17 assets of Polish Jews to compensate Swiss citizens for the
18 nationalization of their property by that country;

19 d. The Swiss government later entered into similar agreements with
20 the nations of Hungary and Czechoslovakia;

21 e. Swiss banks have refused to help Jewish Holocaust survivors
22 locate bank accounts, demanding that they produce death certificates
23 for relatives who perished in Nazi concentration camps;

24 f. Swiss bankers have been caught deliberately destroying evidence
25 and records and the Swiss ambassador to the United States demeaned
26 himself by attempting to wage a public relations campaign against
27 Jewish organizations seeking to change Swiss intransigence;

28 g. The Swiss government and Swiss banks are only beginning to
29 deal with this horrible chapter in their history by establishing a
30 "Humanitarian Fund for the Victims of the Holocaust";

31 h. It is time for the Swiss government to mandate the complete
32 disclosure of all funds deposited in Swiss banks by Jewish Holocaust
33 victims;

34 i. It is time for a full accounting by Swiss banks of all unclaimed
35 assets of these victims;

36 j. It is time for the return of assets to their rightful owners or their
37 heirs; and

38 k. It is time for the State of New Jersey to take a stand against the
39 disgraceful actions of the Swiss government and Swiss financial
40 institutions.

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly ABI committee amendments adopted March 2, 1998.

1 ¹2. As used in this act:

2 "Swiss bank" means an organization that is organized under the
3 laws of Switzerland and that engages in the business of banking,
4 financial services, or both, and any affiliates, whether organized under
5 the laws of Switzerland or any other political entity permitting such
6 organization.

7 "Affiliate" means an organization which controls, is controlled by
8 or under common control with another organization.¹

9
10 ¹[2.] ¹3. Notwithstanding any provision of law to the
11 contrary, ¹[no] the State Treasurer shall not enter into any agreement
12 with any Swiss bank to act as fiscal agent for the State, custodian for
13 funds, securities, or other assets of the State or fiscal agent or
14 custodian for any pension agency, fund or system maintained in whole
15 or in part by the State, nor shall¹ assets of any pension or annuity
16 fund under the jurisdiction of the Division of Investment in the
17 Department of the Treasury ¹[shall] ¹be deposited in any Swiss
18 bank¹ or invested in any equity or debt instrument of a¹ Swiss bank
19 ¹[or financial institution]¹.

20
21 ¹[3.] ¹4. The ¹State Treasurer, ¹State Investment Council and the
22 Director of the Division of Investment shall take appropriate action ¹to
23 withdraw from any agreement made, and¹ to sell, redeem, divest or
24 withdraw any deposit or investment held ¹, in a Swiss Bank¹ in
25 violation of the provisions of this act. Nothing in this act shall be
26 construed to require the premature or otherwise imprudent sale,
27 redemption, divestment or withdrawal of a deposit or investment ¹, or
28 withdrawal from an agreement¹, but such sale, redemption,
29 divestment or withdrawal shall be completed not later than three years
30 following the effective date of this act.

31
32 ¹[4.] ¹5. Within 30 days after the effective date of this act, the
33 ¹[Director of the Division of Investment] State Treasurer¹ shall file
34 with the Legislature a list of all ¹agreements made and¹ deposits and
35 investments held in ¹in a Swiss Bank,¹ as of the effective date of this
36 act which are in violation of the provisions of this act. Every three
37 months thereafter, and until all of these ¹agreements,¹ deposits or
38 investments are sold, redeemed, divested or withdrawn, the
39 ¹[director] State Treasurer¹ shall file with the Legislature a list of the
40 remaining ¹agreements,¹ deposits or investments. The ¹[director]
41 State Treasurer¹ shall include with the first such list, and with the lists
42 to be filed at six month intervals thereafter:

43 a. a report of the progress which ¹[the division]¹ has ¹been¹ made
44 since the previous report and since the enactment of this act in
45 implementing the provisions of section ¹[2] ¹3 of this act; and,

1 b. an analysis of the fiscal impact of the implementation of those
2 provisions upon the total value of and return on the deposits or
3 investments affected, taking all possible account of the investment
4 decisions which would have been made had this act not been enacted,
5 and including an assessment of any increase or decrease, as the result
6 of the implementation of those provisions and not as the result of
7 market forces, in the overall investment quality and degree of risk
8 characteristic of the pension and annuity funds' portfolio.

9
10 ¹ ~~【5.】 6.~~¹ Notwithstanding any provision of law to the contrary,
11 ¹ ~~【the Director of the Division of Investment is prohibited from using~~
12 ~~any Swiss bank or financial institution】~~ no officer or employee of the
13 State, as part of their employment, shall enter into an agreement with
14 any Swiss bank for its services¹ as a ¹ consultant.¹ financial advisor or
15 financial intermediary.

16
17 ¹ ~~【6.】 7.~~¹ This act shall take effect ¹ ~~【immediately】~~ on the 180th
18 day after January 13, 1998 or upon enactment, whichever is later¹ .