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Representative Carl Gatto

Memorandum

Date: February 3, 2010

To: Representative Bob Lynn, Chairman
House State Affairs Committee

From: Representative Carl Gatto, Chair
House Military and Veteran Affairs Committee

Re: Explanation of Changes between HB 241 Original and (SS) for HB 241

The sponsor certainly intended to encourage vigilance on the part of the Department of Revenue in ensuring state funds do not support insurgent training, advancements in nuclear weaponry, or dictatorial rule in Iran. It was not the goal of HB 241, though, to saddle the Department of Revenue with an overly broad, cumbersome new mandate. References throughout the original bill to "companies that conduct or have direct investments in business operations in Iran" were changed to "companies on the list of scrutinized companies." This change was meant to ensure that Department of Revenue did not undertake to investigate and identify *all* companies with a financial interest in Iran regardless of their relationship to Alaska state funds, but rather would understand its mandate was to monitor those companies meeting criteria laid out in the bill. This language change, as well as the establishment of a \$20,000,000 threshold for scrutiny, brought HB 241 more in line with laws in other states and at the federal level. This facilitates cooperation with and utilization of other monitoring agencies. The monetary threshold also ensures that HB 241 targets government oil revenues rather than the Iranian people.

Page 4, lines 1-27 were added to ensure that HB 241 complied with the federal government's Iran Sanctions Act of 1996 and to reiterate that HB 241 is intended to further the goals of said act.

Page 5, lines 7-14 were added to insulate the state from lawsuits concerning any lost revenue due to divestment in Iran.