

HOUSE BILL NO. 396

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - SECOND SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Introduced: 3/9/22

Referred: State Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act restricting certain investments of state funds in certain Russian entities; and**
2 **providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
5 to read:

6 RUSSIA DIVESTMENT; DIVESTMENT EXEMPTIONS, IMMUNITY, AND
7 INDEMNIFICATION; NOTICE. (a) Notwithstanding any other provision of law, the
8 commissioner or a fiduciary of a fund subject to AS 37 may not invest in and shall cause the
9 fund to divest ownership, if any, in the publicly traded securities of Russian entities.
10 Divestment of an ownership interest in a Russian entity shall occur within 90 days after the
11 entity is identified as a Russian entity under (c) of this section. If a fund has investments
12 managed by an outside investment manager, the fiduciary shall, within 90 days after the entity
13 is identified as a Russian entity under (c) of this section, direct the investment manager not to
14 invest in and to divest, within 90 days after receiving the direction, ownership, if any, in the

1 publicly traded securities of a company identified under this section as a Russian entity.

2 (b) If an investment in a fund under (a) of this section is managed as a commingled
3 investment or other business structure in which the fund is not the sole owner of the
4 investment interest or if the investment is an index fund, the provisions of (a) of this section
5 do not apply. The commissioner shall require that, within 90 days after the commissioner
6 identifies a Russian entity under (c) of this section, the fiduciary submit letters to the
7 managers of commingled investments requesting the managers to consider removing the
8 Russian entity from the commingled investment.

9 (c) The commissioner shall

10 (1) identify Russian entities and create and regularly update a list of Russian
11 entities;

12 (2) provide each Russian entity identified under this subsection written notice
13 and an opportunity to comment in writing.

14 (d) On or before January 31, 2023, the commissioner shall advise the president of the
15 senate, the speaker of the house of representatives, and the United States presidential special
16 envoy for Russia of the Russian entities identified under (c) of this section.

17 (e) For actions taken or inaction done, in good faith, in compliance with this section,
18 the commissioner or a fiduciary, or an agent, attorney, trustee, officer, employee, staff
19 member, custodian, research firm, or investment manager under contract of the commissioner
20 or the fiduciary, or a board member is

21 (1) exempt from a conflicting state statutory or common law obligation,
22 including an obligation with respect to choice of an asset manager, investment fund, or
23 investment for the securities portfolio of the public fund;

24 (2) immune from liability under state or local law;

25 (3) indemnified and held harmless by the state from claims, demands, suits,
26 actions, damages, judgments, costs, charges, and expenses, including costs and attorney fees,
27 and against all liability, losses, and damages of any nature that the commissioner or the
28 fiduciary, or the agent, attorney, trustee, officer, employee, staff member, custodian, research
29 firm, or investment manager under contract of the commissioner or the fiduciary, or the board
30 member may, at any time, sustain because of a decision to restrict, reduce, or eliminate an
31 investment made in compliance with this section; and

1 (4) immune from adverse licensing actions under AS 08.

2 (f) Not later than 30 days after the enactment of this Act, the Department of Law shall
3 submit written notice to the Attorney General of the United States describing this Act.

4 (g) The commissioner may adopt regulations under AS 44.62 to carry out the
5 purposes of this section.

6 (h) In this section,

7 (1) "commissioner" means the commissioner of revenue;

8 (2) "Russian entity" means

9 (A) all Russian sovereign debt; or

10 (B) an entity identified by the Office of Foreign Assets Control of the
11 United States Department of the Treasury as

12 (i) being owned or controlled by, or having acted or purported
13 to act for or on behalf of, the government of Russia; or

14 (ii) operating or having operated in the financial services sector
15 of the economy of the Russian Federation.

16 * **Sec. 2.** Section 1 of this Act is repealed January 1, 2024.

17 * **Sec. 3.** This Act takes effect immediately under AS 01.10.070(c).