

ALASKA LEGISLATURE
House State Affairs Committee

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Sponsor Statement

HB 396 DIVEST INVESTMENTS IN RUSSIAN ENTITIES

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

Version 32-LS1618A

Russia unlawfully invaded the independent and democratic country of Ukraine on February 24, 2022. While Ukraine is fighting a ground war to resist the invasion and preserve their democracy, global economic sanctions and divestment strategies against the Russian Federation have been deployed in an effort to weaken the Putin regime and end the war in Ukraine.

The United States Department of Treasury has imposed severe economic sanctions; sovereign wealth funds (including the largest SWF in the world) are divesting of Russian assets; and at least a couple dozen states have initiated legislation or Executive Orders designed to sever financial ties to Russia.

If passed, HB 396 will restrict investments of state funds in Russian entities, including (1) all Russian sovereign debt and (2) an entity identified by the Office of Foreign Assets Control of the United States Department of Treasury as being owned or controlled by, or having acted or purported to act for or on behalf of, the government of Russia; or operating or having operated in the financial services sector of the economy of the Russian Federation.

State funds include all those identified in AS 37, primarily impacting the Alaska Permanent Fund Corporation and the Alaska Retirement Management Board, as well as other state funds.