

Introduced: 1/13/86  
Referred: State Affairs and  
Finance

1 IN THE HOUSE

BY CLOCKSIN AND KOPONEN

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HOUSE BILL NO. 465

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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FOURTEENTH LEGISLATURE - SECOND SESSION

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A BILL

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For an Act entitled: "An Act relating to fiscal matters involving the  
state and persons doing business in the Republic of  
South Africa; and providing for an effective date."

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

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\* Section 1. AS 37 is amended by adding a new chapter to read:

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CHAPTER 24. FISCAL MATTERS RELATING TO SOUTH AFRICA.

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Sec. 37.24.010. PROHIBITED INVESTMENTS AND DEPOSITS. (a) An

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agency may not

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(1) deposit an asset in a bank or financial institution

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that directly or through a subsidiary has outstanding loans to the

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Republic of South Africa or an instrumentality of the Republic of

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South Africa; or

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(2) invest an asset in the stocks, bonds, securities or

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other obligations of a company engaged directly or through a

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subsidiary in manufacturing, assembling, warehousing, or other

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substantial business operations within the Republic of South Africa.

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(b) For purposes of this section "asset" means any asset of the

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state including money in the general fund, the permanent fund, or

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other fund of the state or an agency.

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Sec. 37.24.020. DIVESTMENT OR WITHDRAWAL OF DEPOSITS. An agency

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with an investment or deposit that is prohibited under AS 37.24.010

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shall sell, redeem, divest or withdraw the investment or deposit as

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soon as possible consistent with sound investment policy and, in any

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case, no later than December 31, 1988.

1           Sec. 37.24.030. EXERCISE OF VOTING RIGHTS. An agency with an  
2 investment that is prohibited under AS 37.24.010 shall exercise share-  
3 holder voting rights and take other action as feasible to encourage  
4 the company to curtail its business involvement in the Republic of  
5 South Africa.

6           Sec. 37.24.040. ANNUAL REPORTS. (a) An agency with investments  
7 or deposits prohibited under AS 37.24.010 shall by January 15 of each  
8 year file a report with the legislature

9                   (1) identifying each prohibited investment or deposit  
10 together with its value; and

11                   (2) describing all actions taken during the previous year  
12 in accordance with AS 37.24.030.

13           (b) The governor shall by March 1 of each year file a report  
14 with the legislature indicating the extent to which progress has been  
15 made toward eliminating the system of apartheid in the Republic of  
16 South Africa. The report may include recommendations for changes in  
17 legislation relating to the Republic of South Africa.

18           Sec. 37.24.050. PURCHASING AND CONTRACTING. (a) An agency may  
19 not purchase an article or product that has been wholly manufactured  
20 or produced within the Republic of South Africa.

21           (b) In considering the awarding of a contract for goods or  
22 services to a person, an agency shall review the business involvement  
23 of the person in the Republic of South Africa. The agency may decline  
24 to award a contract to an otherwise qualified person if it determines  
25 that the person engages in substantial business within the Republic of  
26 South Africa.

27           Sec. 37.24.060. CONFLICTING LAWS INAPPLICABLE. To the extent  
28 that the provisions of this chapter conflict with the provisions of  
29 other state law, the provisions of this chapter prevail.

1           Sec. 37.24.100. DEFINITION. In this chapter "agency" means a  
2           state agency or public corporation of the state, other than a munic-  
3           ipality, and includes the University of Alaska.  
4           \* Sec. 2. This Act takes effect immediately in accordance with AS 01.-  
5           10.070(c).