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Referred: Health, Education and
Social Services and
Finance

1 IN THE SENATE

BY V. FISCHER

2

SENATE BILL NO. 328

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

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

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

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

11 CHAPTER 24. FISCAL MATTERS RELATING TO SOUTH AFRICA.

12 Sec. 37.24.010. PROHIBITED INVESTMENTS AND DEPOSITS. (a) An
13 agency may not

14 (1) deposit an asset in a bank or financial institution
15 that directly or through a subsidiary has outstanding loans to the
16 Republic of South Africa or an instrumentality of the Republic of
17 South Africa; or

18 (2) invest an asset in the stocks, bonds, securities or
19 other obligations of a company engaged directly or through a
20 subsidiary in manufacturing, assembling, warehousing, or other
21 substantial business operations within the Republic of South Africa.

22 (b) For purposes of this section "asset" means any asset of the
23 state including money in the general fund, the permanent fund, or
24 other fund of the state or an agency.

25 Sec. 37.24.020. DIVESTMENT OR WITHDRAWAL OF DEPOSITS. An agency
26 with an investment or deposit that is prohibited under AS 37.24.010
27 shall sell, redeem, divest or withdraw the investment or deposit as
28 soon as possible consistent with sound investment policy and, in any
29 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).