

ASSEMBLY, No. 2878

STATE OF NEW JERSEY

218th LEGISLATURE

INTRODUCED FEBRUARY 1, 2018

Sponsored by:

Assemblyman JOHN F. MCKEON

District 27 (Essex and Morris)

SYNOPSIS

Prohibits investment by State of pension and annuity funds in companies manufacturing, importing, and selling assault firearms for civilian use.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT prohibiting the investment by the State of pension and
2 annuity funds in companies manufacturing, importing, and
3 selling assault firearms for civilian use, and supplementing
4 P.L.1950, c.270 (C.52:18A-79 et seq.).

5
6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:

8
9 1. a. As used in this section:

10 "Assault firearm" means "assault firearm" as the term is defined
11 in subsection w. of N.J.S.2C:39-1.

12 "Equity tie" means manufacturing plants, employees or advisors,
13 facilities or an investment of any kind, including an ownership
14 stake in one or more subsidiaries or joint ventures with one or more
15 companies.

16 b. Notwithstanding any provision of law to the contrary, no
17 assets of any pension or annuity fund under the jurisdiction of the
18 Division of Investment in the Department of the Treasury, or its
19 successor, shall be invested in any company that has an equity tie to
20 manufacturers, importers or sellers of assault firearms for civilian
21 use. The prohibition shall not apply to companies that manufacture,
22 import or sell assault firearms for the exclusive use by nations'
23 official military organizations and law enforcement agencies.

24 c. The State Investment Council and the Director of the
25 Division of Investment shall take appropriate action to divest any
26 investment held in violation of subsection b. of this section. This
27 section shall not be construed to require the premature or otherwise
28 imprudent divestment of an investment, but such divestment shall
29 be completed not later than three years following the effective date
30 of P.L. , c. (C.) (pending before the Legislature as this bill).

31 d. Within 60 days after the effective date of P.L. ,
32 c. (C.) (pending before the Legislature as this bill) the
33 Director of the Division of Investment shall file with the
34 Legislature, pursuant to section 2 of P.L.1991, c.164 (C.52:14-
35 19.1), a report of all investments held as of the effective date that
36 are in violation of subsection b. of this section. Every year
37 thereafter, the director shall report on all investments divested in
38 compliance with subsection c. of this section.

39 Each report after the initial report shall provide a description of
40 the progress that the division has made since the previous report
41 and since the enactment of P.L. , c. (C.) (pending before the
42 Legislature as this bill) in implementing subsection b. of this
43 section.

44 e. State Investment Council members, jointly and individually,
45 and State officers and employees involved therewith, shall be
46 indemnified and held harmless by the State of New Jersey from all
47 claims, demands, suits, actions, damages, judgments, costs, charges
48 and expenses, including court costs and attorney's fees, and against

1 all liability, losses and damages that these State Investment Council
2 members, and State officers and employees, may sustain by reason
3 of any decision to restrict, reduce or eliminate investments pursuant
4 to this act.

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6 2. This act shall take effect immediately.

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9 STATEMENT

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11 This bill prohibits the State of New Jersey from investing any
12 assets of any pension or annuity fund under the management of the
13 Division of Investment in the Department of the Treasury in
14 companies that manufacture, import, or sell assault firearms for
15 civilian use. The bill exempts from the ban investments in
16 companies that manufacture, import or sell assault firearms for the
17 exclusive use by nations' official military organizations and law
18 enforcement agencies. As for existing investments that are held in
19 violation of the prohibition, the Division of Investment has up to
20 three years to divest from the prohibited companies. The bill's
21 definition of assault firearms is identical to the definition of the
22 term under the existing New Jersey ban on the sale of assault
23 firearms under N.J.S.A.2C:39-1.