

SENATE, No. 917

STATE OF NEW JERSEY

INTRODUCED MARCH 14, 1996

By Senators LESNIAK, KENNY, O'Connor and Sacco

1 AN ACT concerning the investment of certain public funds and the
2 purchase of certain goods or services and supplementing Title 52
3 of the Revised Statutes.

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

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8 1. This act shall be known and may be cited as the "Free Cuba
9 Act."

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11 2. The Legislature finds and declares that:

12 a. The government of Fidel Castro has constantly demonstrated a
13 consistent disregard for internationally adopted standards of human
14 rights and democratic values.

15 b. The Cuban people have demonstrated their desire for freedom
16 and democracy and their opposition to the Castro government by
17 risking their lives by organizing demonstrations and voicing opposition
18 to the Castro regime and by bravely undertaking the hazardous and
19 perilous 90 mile journey of freedom to the United States.

20 c. The Castro regime has actively engaged in narcotics trafficking
21 to America's shores, which has cost our nation billions of dollars for
22 treatment, prevention, and law enforcement.

23 d. The Castro regime has placed citizens of the United States in
24 danger by maintaining a government dominated by the military and
25 proliferating its offensive military capacity just 90 miles from this
26 nation's shores.

27 e. New Jersey fully supports the federal "Cuban Democracy Act of
28 1992" and the trade embargo imposed by the government of the
29 United States against the Cuban government.

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31 3. a. Notwithstanding any provision of law to the contrary, no
32 assets of any pension or annuity fund under the jurisdiction of the
33 Division of Investment in the Department of the Treasury shall be
34 invested in any bank or financial institution which directly or through
35 a subsidiary has outstanding loans to the Republic of Cuba or its
36 instrumentalities, and no assets shall be invested in the stocks,
37 securities or other obligations of any company engaged in business in

1 or with the Republic of Cuba.

2 b. The State Investment Council and the Director of the Division
3 of Investment shall take appropriate action to sell, redeem, divest or
4 withdraw any investment held in violation of the provisions of this act.
5 Nothing in this act shall be construed to require the premature or
6 otherwise imprudent sale, redemption, divestment or withdrawal of an
7 investment, but such sale, redemption, divestment or withdrawal shall
8 be completed not later than three years following the effective date of
9 this act.

10 c. Within 30 days after the effective date of this act, the Director
11 of the Division of Investment shall file with the Legislature a list of all
12 investments held as of the effective date of this act which are in
13 violation of the provisions of this act. Every three months thereafter,
14 and until all of these investments are sold, redeemed, divested or
15 withdrawn, the director shall file with the Legislature a list of the
16 remaining investments. The director shall include with the first such
17 list, and with the lists to be filed at six month intervals thereafter, (1)
18 a report of the progress which the division has made since the previous
19 report and since the enactment of this act in implementing its
20 provisions, and (2) an analysis of the fiscal impact of the
21 implementation of those provisions upon the total value of and return
22 on the investments affected, taking all possible account of the
23 investment decisions which would have been made had this act not
24 been enacted, and including an assessment of any increase or decrease,
25 as the result of the implementation of those provisions and not as the
26 result of market forces, in the overall investment quality and degree of
27 risk characteristic of the pension and annuity funds' portfolio.

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29 4. Notwithstanding any provision of law to the contrary, no State
30 department, board, bureau, commission, authority or other agency of
31 State government shall purchase on or after the effective date of this
32 act the goods or services of any company engaged in business in or
33 with the Republic of Cuba.

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35 5. This act shall take effect immediately and shall expire when
36 Cuba has free elections and a democratically elected government is
37 installed.

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STATEMENT

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42 This bill, entitled the "Free Cuba Act," imposes a ban on pension
43 investments in companies that do business in or with the Republic of
44 Cuba which is similar to the ban on pension investments in companies
45 that do business in or with the Republic of South Africa. The bill
46 provides that no assets of any pension or annuity fund under the

1 jurisdiction of the Division of Investment in the Department of the
2 Treasury shall be invested in any bank or financial institution which
3 directly or through a subsidiary has outstanding loans to the Republic
4 of Cuba or its instrumentalities, and no assets shall be invested in the
5 stocks, securities or other obligations of any company engaged in
6 business in or with the Republic of Cuba.

7 The bill also provides that no State department, board, bureau,
8 commission, authority or other agency of State government shall
9 purchase on or after the effective date of this act the goods or services
10 of any company engaged in business in or with the Republic of Cuba.

11 This act shall take effect immediately and shall expire when Cuba
12 has free elections and a democratically elected government is installed.

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17 Prohibits investing certain pension funds in companies that do business
18 in or with Cuba; prohibits certain purchases.