HOUSE BILL 2191
By Matheny

SENATE BILL 1438

By Kelsey

AN ACT to amend Tennessee Code Annotated, Title 4, Chapter 3, Part 24; Title 8, Chapter 34; Title 8, Chapter 35; Title 8, Chapter 36; Title 8, Chapter 37; Title 8, Chapter 5 and Title 9, relative to public investments in companies operating in Iran.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 8-37-104, is amended by adding the following as a new subsection (g):

(g)

(1) The treasurer shall divest any direct holdings of the Tennessee consolidated retirement system in companies that have substantial current operations in Iran. The companies shall be determined from the quarterly reports provided to the council on pensions and insurance pursuant to subsection (e). The divestment for any company identified on a quarterly report provided pursuant to subsection (e) after June 30, 2016, shall be completed within six (6) months after the company's appearance on the quarterly report.

(2) If a company whose direct holdings are divested pursuant to this subsection (g) ceases to have substantial operations in Iran following the divestment, the restriction on investing in direct holdings of the company shall cease to apply unless the company resumes substantial operations in Iran. Whether a company ceases substantial operations in Iran shall be determined by the list obtained pursuant to subsection (e).

(3) For purposes of this subsection (g), "direct holdings" means all securities of a company that are held directly by the Tennessee consolidated

retirement system or in an account or fund in which the Tennessee consolidated retirement system owns all shares or interests.

(4) Notwithstanding any law to the contrary, no person or entity may bring any civil, criminal, or administrative action against this state, its officers, employees, or agents, or against the Tennessee consolidated retirement system, its officers, directors, board members, employees, or agents for any act done in good faith in accordance with this subsection (g).

(5) If a civil action or proceeding is nevertheless commenced by any person or entity against any official or employee of the state, or against any officers, directors, board members, or employees of the Tennessee consolidated retirement system for any act done in good faith in accordance with this subsection (g), the state shall defend, indemnify, and hold harmless the person or entity from any costs, damages, awards, judgments, or settlements arising from the civil action or proceeding, and shall receive attorney's fees if the state prevails.

SECTION 2. This act shall take effect July 1, 2016, the public welfare requiring it.