

Second Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. R12-0949.02 Nicole Myers x4326

HJR12-1024

HOUSE SPONSORSHIP

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House Committees

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HOUSE JOINT RESOLUTION 12-1024

101 CONCERNING DIVESTMENT FROM IRAN FOR ITS CONTINUED PURSUIT OF
102 NUCLEAR WEAPONS.

1 WHEREAS, The United States Congress and successive
2 Presidents, including Presidents Bill Clinton, George W. Bush, and
3 Barack Obama, have clearly identified the unacceptability of the Iranian
4 regime's pursuit of nuclear weapons capabilities, especially combined
5 with its development of ballistic missiles and its support of international
6 terrorism, and the serious threat that such pursuit presents to the United
7 States, to our friends and allies, and to global security; and

8 WHEREAS, The International Atomic Energy Agency has
9 repeatedly called attention to Iran's unlawful nuclear activities, and, as a
10 result, the United Nations Security Council has adopted a range of
11 sanctions designed to encourage the government of Iran to cease those

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

1 activities and comply with its obligations under the Treaty on the
2 Non-Proliferation of Nuclear Weapons, commonly known as the "Nuclear
3 Non-Proliferation Treaty"; and

4 WHEREAS, In 1996, the United States enacted into law the Iran
5 Sanctions Act of 1996, which imposed sanctions on foreign companies
6 investing in Iran's energy infrastructure in an effort to undermine the
7 strategic threat from Iran by cutting off investment in its petroleum sector
8 and thereby denying the regime its economic lifeline and its ability to
9 pursue a nuclear program; and

10 WHEREAS, Congress also has adopted additional legislation
11 designed to impose sanctions on Iran in response to its illicit nuclear
12 program, including the Iran, North Korea, and Syria Non-Proliferation
13 Act; the Iran-Iraq Arms Non-Proliferation Act of 1992; and the Iran
14 Freedom Support Act; and

15 WHEREAS, In addition to such Iran sanction legislation, on July
16 1, 2010, President Obama signed into law H.R. 2194, the Comprehensive
17 Iran Sanctions, Accountability, and Divestment Act of 2010, Public Law
18 111-195, which expressly authorizes states and local governments to
19 prevent investment in, including prohibiting entry into or renewing
20 contracts with, companies operating in Iran's energy sector with
21 investments that have the result of directly or indirectly supporting the
22 efforts of the government of Iran to achieve nuclear weapons capability;
23 and

24 WHEREAS, On March 4, 2012, President Obama made clear that
25 the policy of the United States is not to contain a nuclear Iran but "to
26 prevent Iran from obtaining a nuclear weapon" and that all elements of
27 United States power remain on the table in ensuring that result; and

28 WHEREAS, United States sanctions on Iran have hindered Iran's
29 ability to attract capital, material, and technical support for its petroleum
30 sector, creating financial difficulties for the regime; and

31 WHEREAS, The serious and urgent nature of the threat from Iran
32 demands that states, local governments, educational institutions, and
33 private institutions work together with the federal government and
34 American allies to do everything possible diplomatically, politically, and
35 economically to prevent Iran from acquiring nuclear weapons capability;
36 and

1 WHEREAS, On January 18, 2008, recognizing the threat posed by
2 Iran and the risk of investing in companies subject to possible sanction by
3 the United States, the Board of the Public Employees' Retirement
4 Association of Colorado (PERA) passed a resolution regarding possible
5 divestment from such companies through a phased strategy that first
6 identified a list of public companies that meet certain criteria regarding
7 their involvement in Iran, such as having more than \$20 million of
8 investments in Iran's energy sector, and second reviewed the efficacy of
9 investments in such companies, with an eye towards considering
10 divestment from those companies. PERA also enacted a moratorium on
11 any new investments in companies on the list and agreed to update the
12 General Assembly on a regular basis regarding such divestment activities,
13 including providing a list of companies that meet the criteria for
14 divestment; and

15 WHEREAS, There are moral and reputational reasons for this state
16 and the local governments in this state to not engage in business with
17 companies that have business activities benefitting foreign states, such as
18 Iran, that commit egregious violations of human rights, pursue nuclear
19 weapons capabilities, and support terrorism; and

20 WHEREAS, It is the responsibility of the state to decide how,
21 where, and by whom its financial resources should be invested. It also is
22 the prerogative of the state to not invest in, or do business with,
23 companies whose investments with Iran place those companies at risk
24 from the impact of economic sanctions imposed upon the government of
25 Iran for sponsoring terrorism, committing egregious violations of human
26 rights, and engaging in illicit nuclear weapons development; and

27 WHEREAS, The human rights situation in Iran has steadily
28 deteriorated since 2009, as punctuated by transparently fraudulent
29 elections and the brutal repression and murder, arbitrary arrests, and show
30 trials of peaceful dissidents; and

31 WHEREAS, During the post-election protests in June 2009, the
32 Iranian government imposed widespread and unjustifiable restrictions on
33 telecommunications services, denying the citizens of Iran their rights and
34 liberties to free speech; and

35 WHEREAS, This state currently honors contracts with foreign
36 companies that may be at financial risk due to business ties with foreign
37 states, such as Iran, that are involved in the pursuit of weapons of mass

1 destruction, commit human rights violations, and support terrorism; and

2 WHEREAS, The concerns of the state of Colorado regarding Iran
3 are strictly the result of the actions of the government of Iran; now,
4 therefore,

5 *Be It Resolved by the House of Representatives of the Sixty-eighth*
6 *General Assembly of the State of Colorado, the Senate concurring herein:*

7 That the members of the Colorado General Assembly declare the
8 following:

9 (1) We have feelings of friendship for the people of Iran;

10 (2) We regret that actions taken by the theocratic government in
11 Iran in recent decades have created impediments to that friendship;

12 (3) We hold the people of Iran, their culture, and their ancient and
13 rich history in the highest esteem;

14 (4) In order to effectively address the need for this state and the
15 local governments of this state to respond to the unacceptable policies of
16 Iran in a uniform fashion, prohibiting contracts with persons engaged in
17 investment activities in the energy sector of Iran must be accomplished
18 on a statewide basis, and, therefore, the subject is a matter of statewide
19 concern rather than a municipal affair; and

20 (5) It is the intent of the General Assembly to exercise the
21 authority granted under section 202 of the Comprehensive Iran Sanctions,
22 Accountability, and Divestment Act of 2010, Public Law 111-195,
23 codified at 22 U.S.C. sec. 8532.

24 *Be It Further Resolved,* That the members of the Colorado General
25 Assembly hereby encourage the following actions with regard to
26 investments with Iran:

27 (1) That any procuring state agency and any local government in
28 the state refrain, when possible, from entering into or renewing a contract
29 for goods or services of \$1 million or more with any individual or
30 organization that has invested in or provided goods or services of \$20
31 million or more in the energy sector of Iran, that has extended \$20 million
32 or more in credit that will be used by the recipient to provide investments,

1 goods, or services in the energy sector of Iran, or that is included on the
2 list compiled, maintained, and updated by PERA of individuals or
3 organizations that meet the criteria for divestment by PERA.

4 (2) (a) That by December 31, 2012, the Governor or the
5 Governor's designee, using credible information available to the public,
6 develop, or contract to develop, a list of individuals or organizations that
7 have invested in or provided goods or services of \$20 million or more in
8 the energy sector of Iran, that have extended \$20 million or more in credit
9 that will be used by the recipient to provide investments, goods, or
10 services in the energy sector of Iran, or that is included on the list
11 compiled, maintained, and updated by PERA of individuals or
12 organizations that meet the criteria for divestment by PERA.

13 (b) That written notice of inclusion on the Governor's list be
14 provided to any individual or organization to allow comment in writing
15 that it is not engaged in acts that warrant inclusion on the list, and, if such
16 individual or organization satisfactorily demonstrates that it is not
17 engaged in acts that warrant inclusion on the list, that the individual or
18 organization not be included on the list.

19 (c) That the Governor's list be updated every 180 days based on
20 evidence of any new prohibited acts, that the list be in accordance with
21 the list of individuals and organizations identified by PERA that is
22 compiled, maintained, and updated and reported to the General Assembly,
23 and that the list and all subsequent updates thereto be made publicly
24 available.

25 (3) That the General Assembly submit to the Secretary of State of
26 the United States a written notice describing this Joint Resolution within
27 30 days after its passage.