

**Second Regular Session
Seventieth General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 16-0038.01 Nicole Myers x4326

HOUSE BILL 16-1284

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A BILL FOR AN ACT

101 **CONCERNING DIVESTMENT BY THE PUBLIC EMPLOYEES' RETIREMENT**
102 **ASSOCIATION FROM COMPANIES THAT HAVE ECONOMIC**
103 **PROHIBITIONS AGAINST THE STATE OF ISRAEL.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/bills summaries>.)

The bill requires the public employees' retirement association (PERA) to make its best efforts to identify all companies that have economic prohibitions against Israel (restricted company), to assemble those identified companies into a list of restricted companies by January 1, 2017, and to review the list of restricted companies on a biannual basis.

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.

For each company on the list of restricted companies, the bill requires PERA to send a written notice informing the company of its status and that it may become subject to divestment by PERA. If a company ceases activity that designates it as a restricted company, PERA will remove the company from the list.

If a company remains a restricted company 180 days following PERA's first engagement with the company, PERA is required to divest all direct holdings of the restricted company from its assets. If on the date of divestment PERA does not own direct holdings in a company on the list of restricted companies, PERA is prohibited from acquiring direct holdings in any company on the list of restricted companies during the time that it remains on the list.

Upon request, and at least annually, PERA is required to make available on its website information regarding investments sold, redeemed, divested, or withdrawn in compliance with the bill.

The bill specifies the circumstances under which PERA may cease divesting from companies, based on the value of the investments.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** part 2 to article
3 54.8 of title 24 as follows:

4 PART 2

5 DIVESTMENT FROM COMPANIES THAT
6 HAVE ECONOMIC PROHIBITIONS AGAINST ISRAEL

7 **24-54.8-201. Legislative declaration.** (1) THE GENERAL
8 ASSEMBLY HEREBY DETERMINES AND DECLARES THAT:

9 (a) THE STATE OF ISRAEL AND THE UNITED STATES ARE ALLIES
10 SHARING A COMMON BOND ROOTED IN THE VALUES OF FREEDOM,
11 DEMOCRACY, AND EQUAL RIGHTS;

12 (b) ISRAEL IS AMERICA'S DEPENDABLE DEMOCRATIC ALLY IN THE
13 MIDDLE EAST, AN AREA OF HISTORIC AFFINITY AND STRATEGIC
14 IMPORTANCE TO THE UNITED STATES;

15 (c) THE COMMERCIAL AND TRADE RELATIONSHIP BETWEEN THE
16 UNITED STATES AND ISRAEL IS AN IMPORTANT FOUNDATION OF THIS

1 ALLIANCE;

2 (d) THE STATE OF COLORADO HAS BENEFITED FROM
3 COLLABORATION AND FRIENDSHIP WITH THE STATE OF ISRAEL THROUGH
4 PEOPLE TO PEOPLE INTERACTIONS AND TIES ACROSS THE BUSINESS, ART,
5 CULTURAL, EDUCATIONAL, AND ACADEMIC SECTORS;

6 (e) THE STATE OF COLORADO RECOGNIZES THE STATE OF ISRAEL'S
7 SIGNIFICANT CONTRIBUTION TO THE WORLD COMMUNITY THROUGH ITS
8 LEADERSHIP IN SCIENCE AND TECHNOLOGY, INCLUDING ADVANCES IN
9 BIOSCIENCE AND CYBERSECURITY;

10 (f) THE MEMBERS OF THE COLORADO GENERAL ASSEMBLY
11 RECOGNIZE AND SUPPORT ISRAEL'S RIGHT TO EXIST AS A JEWISH STATE;

12 (g) THE INTERNATIONAL COMMUNITY AGREES THAT THE COMPLEX
13 ISRAELI-PALESTINIAN CONFLICT SHOULD BE RESOLVED THROUGH
14 BILATERAL NEGOTIATIONS;

15 (h) PROMOTING ISRAELI-PALESTINIAN NEGOTIATIONS, MUTUAL
16 UNDERSTANDING, AND THE ACHIEVEMENT OF A TWO-STATE SOLUTION ARE
17 IN THE UNITED STATES' NATIONAL INTEREST;

18 (i) THE BOYCOTT, DIVESTMENT, AND SANCTIONS (BDS)
19 MOVEMENT IS A CAMPAIGN DESIGNED TO ISOLATE ISRAEL BY PROMOTING
20 ECONOMIC PROHIBITIONS ON ISRAELI PRODUCTS AND BUSINESSES ON A
21 WORLDWIDE BASIS;

22 (j) THE BDS MOVEMENT IS ONE OF THE MAIN VEHICLES
23 ADVOCATING FOR POLICIES LEADING TO THE DISSOLUTION OF ISRAEL AS A
24 JEWISH AND DEMOCRATIC STATE, AND HAS SOUGHT TO HIJACK SOCIAL,
25 POLITICAL, RELIGIOUS, ACADEMIC, CULTURAL, AND ECONOMIC PLATFORMS
26 TO ISOLATE ISRAEL WITHIN THE INTERNATIONAL COMMUNITY;

27 (k) BDS ACTIVISTS PROMOTE A BIASED AND DIVISIVE APPROACH

1 TO THE COMPLEX ISRAELI-PALESTINIAN CONFLICT AND PRESENT THIS
2 DISPUTE AS THE FAULT OF ISRAEL ONLY, AND ADVOCATE
3 UNCONSTRUCTIVE AND DIVISIVE ACTIONS DIRECTED AT BLAMING AND
4 PRESSURING ISRAEL;

5 (l) ANTI-ISRAEL ACTIVITIES HAVE INCREASED IN THE STATE OF
6 COLORADO AND OTHER COMMUNITIES NATIONWIDE ON UNIVERSITY
7 CAMPUSES, IN ACADEMIC AND PROFESSIONAL ASSOCIATIONS, CHURCH
8 MOVEMENTS, THE CULTURAL SECTOR, AND IN OTHER AREAS;

9 (m) COLORADO'S ELECTED REPRESENTATIVES AFFIRM THAT BOTH
10 ISRAELIS AND PALESTINIANS HAVE THE RIGHT TO LIVE IN THEIR OWN SAFE
11 AND SECURE STATES GOVERNED BY THE RULE OF LAW, FREE FROM FEAR
12 AND VIOLENCE, WITH MUTUAL RECOGNITION, TRADE, AND
13 NORMALIZATION; AND

14 (n) COLORADO CONDEMNS THE INTERNATIONAL BDS MOVEMENT
15 AND ITS ACTIVITIES IN COLORADO FOR SEEKING TO UNDERMINE EFFORTS
16 TO ACHIEVE A NEGOTIATED TWO-STATE SOLUTION AND THE RIGHT OF
17 ISRAELIS AND PALESTINIANS TO SELF-DETERMINATION.

18 (2) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT
19 THE DESIRED RESULT OF THIS PART 2 IS THAT THE PUBLIC EMPLOYEES'
20 RETIREMENT ASSOCIATION SELL, REDEEM, DIVEST, OR WITHDRAW
21 INVESTMENTS IN RESTRICTED COMPANIES THAT HAVE ECONOMIC
22 PROHIBITIONS AGAINST ISRAEL AND THAT THE PUBLIC EMPLOYEES'
23 RETIREMENT ASSOCIATION ABSTAIN FROM MAKING NEW INVESTMENTS IN
24 SUCH RESTRICTED COMPANIES.

25 **24-54.8-202. Definitions.** AS USED IN THIS PART 2, UNLESS THE
26 CONTEXT OTHERWISE REQUIRES:

27 (1) "COMPANY" MEANS ANY ENTITY THAT HAS PUBLICLY TRADED

1 SECURITIES AND IS AN ORGANIZATION, ASSOCIATION, CORPORATION,
2 PARTNERSHIP, JOINT VENTURE, LIMITED PARTNERSHIP, LIMITED LIABILITY
3 PARTNERSHIP, LIMITED LIABILITY COMPANY, OR OTHER ENTITY OR
4 BUSINESS ASSOCIATION, INCLUDING ALL WHOLLY OWNED SUBSIDIARIES,
5 MAJORITY-OWNED SUBSIDIARIES, OR PARENT COMPANIES OF SUCH
6 ENTITIES OR BUSINESS ASSOCIATIONS, THAT EXISTS FOR PROFIT-MAKING
7 PURPOSES.

8 (2) "DIRECT HOLDINGS" MEANS ALL PUBLICLY TRADED SECURITIES
9 OF A COMPANY HELD DIRECTLY BY THE PUBLIC EMPLOYEES' RETIREMENT
10 ASSOCIATION OR IN AN ACCOUNT OR FUND IN WHICH THE PUBLIC
11 EMPLOYEES' RETIREMENT ASSOCIATION OWNS ALL SHARES OR INTERESTS.

12 (3) "ECONOMIC PROHIBITIONS AGAINST ISRAEL" MEANS ENGAGING
13 IN ACTIONS THAT ARE POLITICALLY MOTIVATED AND ARE INTENDED TO
14 PENALIZE, INFLICT ECONOMIC HARM ON, OR OTHERWISE LIMIT
15 COMMERCIAL RELATIONS WITH THE STATE OF ISRAEL.

16 (4) "PUBLICLY TRADED SECURITIES" MEANS OWNERSHIP INTEREST
17 OR DEBT INSTRUMENTS THAT ARE CURRENTLY TRADED ON A SECURITIES
18 EXCHANGE THAT IS OFFICIALLY RECOGNIZED, SANCTIONED, OR
19 SUPERVISED BY A GOVERNMENTAL AUTHORITY OF THE COUNTRY IN WHICH
20 THE MARKET IS LOCATED OR CURRENTLY TRADED THROUGH AN
21 OVER-THE-COUNTER MARKET THAT IS REFLECTED BY THE EXISTENCE OF
22 AN INTERDEALER QUOTATION SYSTEM.

23 (5) "RESTRICTED COMPANIES" MEANS COMPANIES THAT HAVE
24 ECONOMIC PROHIBITIONS AGAINST ISRAEL.

25 **24-54.8-203. Transactions prohibited by the public employees'**
26 **retirement association - companies that have economic prohibitions**
27 **against Israel - restricted companies list.** (1) BY JANUARY 1, 2017, THE

1 PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION CREATED IN ARTICLE 51 OF
2 THIS TITLE SHALL MAKE ITS BEST EFFORTS TO IDENTIFY ALL RESTRICTED
3 COMPANIES IN WHICH THE ASSOCIATION HAS DIRECT HOLDINGS OR COULD
4 POSSIBLY HAVE SUCH HOLDINGS IN THE FUTURE AND ASSEMBLE THOSE
5 COMPANIES INTO A LIST OF RESTRICTED COMPANIES. THESE EFFORTS
6 SHALL INCLUDE THE FOLLOWING, AS APPROPRIATE IN THE JUDGMENT OF
7 THE ASSOCIATION:

8 (a) REVIEWING AND RELYING ON PUBLICLY AVAILABLE
9 INFORMATION REGARDING COMPANIES THAT HAVE ECONOMIC
10 PROHIBITIONS AGAINST ISRAEL, INCLUDING INFORMATION PROVIDED BY
11 NONPROFIT ORGANIZATIONS, RESEARCH FIRMS, AND GOVERNMENT
12 ENTITIES;

13 (b) CONTACTING ASSET MANAGERS CONTRACTED BY THE
14 ASSOCIATION THAT INVEST IN COMPANIES THAT HAVE ECONOMIC
15 PROHIBITIONS AGAINST ISRAEL;

16 (c) CONTACTING OTHER INSTITUTIONAL INVESTORS THAT HAVE
17 DIVESTED FROM OR ENGAGED WITH COMPANIES THAT HAVE ECONOMIC
18 PROHIBITIONS AGAINST ISRAEL; AND

19 (d) RETAINING AN INDEPENDENT RESEARCH FIRM OR
20 ORGANIZATION TO IDENTIFY COMPANIES THAT HAVE ECONOMIC
21 PROHIBITIONS AGAINST ISRAEL. IT SHALL BE REASONABLE AND SUFFICIENT
22 FOR THE ASSOCIATION TO RELY ON INFORMATION AND WORK PRODUCT
23 OBTAINED FROM SUCH RESEARCH FIRM OR ORGANIZATION; EXCEPT THAT
24 THE BOARD OF TRUSTEES OF THE PUBLIC EMPLOYEES' RETIREMENT
25 ASSOCIATION SHALL REVIEW AND APPROVE ANY COMPANIES IDENTIFIED
26 BY AN INDEPENDENT RESEARCH FIRM BEFORE INCLUDING SUCH COMPANIES
27 ON THE LIST OF RESTRICTED COMPANIES PURSUANT TO THIS SUBSECTION

1 (1).

2 (2) THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION SHALL
3 REVIEW THE LIST OF RESTRICTED COMPANIES ON A BIENNIAL BASIS BASED
4 ON EVOLVING INFORMATION FROM, AMONG OTHER SOURCES, THOSE LISTED
5 IN SUBSECTION (1) OF THIS SECTION.

6 (3) THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION SHALL
7 ADHERE TO THE FOLLOWING PROCEDURES FOR COMPANIES ON THE LIST OF
8 RESTRICTED COMPANIES:

9 (a) FOR EACH COMPANY NEWLY IDENTIFIED IN SUBSECTION (1) OF
10 THIS SECTION, THE ASSOCIATION SHALL SEND A WRITTEN NOTICE
11 INFORMING THE COMPANY OF ITS STATUS AND THAT IT MAY BECOME
12 SUBJECT TO DIVESTMENT BY THE ASSOCIATION.

13 (b) IF, FOLLOWING THE ASSOCIATION'S ENGAGEMENT PURSUANT TO
14 THIS SUBSECTION (3) WITH A RESTRICTED COMPANY, THAT COMPANY
15 CEASES ACTIVITY THAT DESIGNATES IT AS A COMPANY THAT HAS
16 ECONOMIC PROHIBITIONS AGAINST ISRAEL, THE COMPANY SHALL BE
17 REMOVED FROM THE LIST OF RESTRICTED COMPANIES AND THE PROVISIONS
18 OF THIS SECTION SHALL CEASE TO APPLY TO IT UNLESS IT RESUMES SUCH
19 ACTIVITIES.

20 (c) IF, AFTER ONE HUNDRED EIGHTY DAYS FOLLOWING THE
21 ASSOCIATION'S FIRST ENGAGEMENT WITH A COMPANY PURSUANT TO
22 PARAGRAPH (b) OF THIS SUBSECTION (3), THE COMPANY REMAINS A
23 RESTRICTED COMPANY, THE ASSOCIATION SHALL INSTRUCT ITS
24 INVESTMENT ADVISORS TO SELL, REDEEM, DIVEST, OR WITHDRAW ALL
25 DIRECT HOLDINGS OF RESTRICTED COMPANIES FROM THE ASSOCIATION'S
26 ASSETS UNDER MANAGEMENT IN AN ORDERLY AND FIDUCIARILY
27 RESPONSIBLE MANNER WITHIN TWELVE MONTHS AFTER THE COMPANY'S

1 MOST RECENT APPEARANCE ON THE LIST OF RESTRICTED COMPANIES.

2 (d) IF, UPON THE COMMENCEMENT OF THE DATE OF DIVESTMENT,
3 THE ASSOCIATION DOES NOT OWN DIRECT HOLDINGS IN A COMPANY ON THE
4 LIST OF RESTRICTED COMPANIES, THE ASSOCIATION IS PROHIBITED FROM
5 ACQUIRING DIRECT HOLDINGS IN ANY COMPANY ON THE LIST OF
6 RESTRICTED COMPANIES DURING THE TIME THAT IT REMAINS ON THE LIST.

7 (4) NOTWITHSTANDING ANY OTHER PROVISION OF THIS PART 2, THE
8 HOLDINGS IN THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION'S
9 DEFINED CONTRIBUTION PLANS ARE NOT SUBJECT TO THIS PART 2.

10 (5) UPON REQUEST, AND AT LEAST ANNUALLY, THE PUBLIC
11 EMPLOYEES' RETIREMENT ASSOCIATION SHALL MAKE AVAILABLE ON ITS
12 WEBSITE INFORMATION REGARDING INVESTMENTS SOLD, REDEEMED,
13 DIVESTED, OR WITHDRAWN IN COMPLIANCE WITH THIS SECTION.

14 (6) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE
15 CONTRARY, THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION MAY
16 CEASE DIVESTING FROM COMPANIES PURSUANT TO SUBSECTION (3) OF THIS
17 SECTION IF CLEAR AND CONVINCING EVIDENCE SHOWS THAT THE VALUE
18 FOR ALL ASSETS UNDER MANAGEMENT BY THE ASSOCIATION BECOMES
19 EQUAL TO OR LESS THAN NINETY-NINE AND ONE-HALF PERCENT, OR FIFTY
20 BASIS POINTS, OF THE HYPOTHETICAL VALUE OF ALL ASSETS UNDER
21 MANAGEMENT BY THE ASSOCIATION ASSUMING NO DIVESTMENT FOR ANY
22 COMPANY HAD OCCURRED PURSUANT TO SUBSECTION (3) OF THIS SECTION.

23 (7) WITH RESPECT TO ACTIONS TAKEN IN COMPLIANCE WITH THIS
24 PART 2, INCLUDING ALL GOOD-FAITH DETERMINATIONS REGARDING
25 COMPANIES AS REQUIRED BY THIS SECTION, THE PUBLIC EMPLOYEES'
26 RETIREMENT ASSOCIATION IS EXEMPT FROM ANY CONFLICTING STATUTORY
27 OR COMMON LAW OBLIGATIONS, INCLUDING ANY FIDUCIARY DUTIES AND

1 ANY OBLIGATIONS WITH RESPECT TO CHOICE OF ASSET MANAGERS,
2 INVESTMENT FUNDS, OR INVESTMENTS FOR THE ASSOCIATION'S SECURITIES
3 PORTFOLIOS.

4 (8) WITH RESPECT TO ALL ACTIONS TAKEN IN GOOD FAITH
5 COMPLIANCE WITH THIS PART 2, THE PUBLIC EMPLOYEES' RETIREMENT
6 ASSOCIATION, ITS BOARD OF DIRECTORS, INDIVIDUAL BOARD MEMBERS,
7 AGENTS, TRUSTEES, OFFICERS, EMPLOYEES, CUSTODIANS, AND FIDUCIARIES
8 SHALL BE IMMUNE FROM ANY LIABILITY.

9 **24-54.8-204. Legislative intent.** BY ENACTING THIS PART 2, IT IS
10 NOT THE INTENT OF THE GENERAL ASSEMBLY TO CAUSE DIVESTITURE FROM
11 ANY COMPANY BASED IN THE UNITED STATES. THE PUBLIC EMPLOYEES'
12 RETIREMENT ASSOCIATION SHALL CONSIDER THIS INTENT WHEN
13 DEVELOPING OR REVIEWING THE LIST OF RESTRICTED COMPANIES.

14 **24-54.8-205. Severability.** IF ANY PROVISION OF THIS PART 2 OR
15 THE APPLICATION THEREOF TO ANY PERSON OR CIRCUMSTANCE IS HELD
16 INVALID, SUCH INVALIDITY DOES NOT AFFECT OTHER PROVISIONS OR
17 APPLICATIONS OF THIS PART 2 THAT CAN BE GIVEN EFFECT WITHOUT THE
18 INVALID PROVISION OR APPLICATION, AND TO THIS END THE PROVISIONS OF
19 THIS PART 2 ARE DECLARED TO BE SEVERABLE.

20 **SECTION 2.** In Colorado Revised Statutes, 24-54.8-101, **amend**
21 (1) (r), (2), and (3) as follows:

22 **24-54.8-101. Legislative declaration - post-enactment review.**

23 (1) The general assembly hereby finds and declares that:

24 (r) It is the judgment of the general assembly that this ~~article~~ PART
25 1 should remain in effect only insofar as it continues to be consistent with,
26 and does not unduly interfere with, the foreign policy of the United States
27 as determined by the federal government.

1 (2) The general assembly further finds and declares that state and
2 local entities that are not subject to the requirements of this ~~article~~ PART
3 1 are encouraged to take voluntary action to divest from the companies
4 specified in this ~~article~~ PART 1.

5 (3) The general assembly further finds and declares that the
6 desired result of this ~~article~~ PART 1 for the purpose of post-enactment
7 review is that all public funds sell, redeem, divest, or withdraw
8 investments in scrutinized companies with active business operations in
9 Sudan and maintain communication with scrutinized companies with
10 inactive business operations in Sudan, in accordance with the provisions
11 of this ~~article~~ PART 1.

12 **SECTION 3.** In Colorado Revised Statutes, 24-54.8-102, **amend**
13 introductory portion and (16) (c) as follows:

14 **24-54.8-102. Definitions.** As used in this ~~article~~ PART 1, unless
15 the context otherwise requires:

16 (16) "Scrutinized company" means a company that meets any of
17 the following criteria:

18 (c) The company supplies military equipment within Sudan,
19 unless it clearly shows that the military equipment cannot be used to
20 facilitate offensive military actions in Sudan or the company implements
21 rigorous and verifiable safeguards to prevent use of that equipment by
22 forces actively participating in armed conflict, such as through post-sale
23 tracking of such equipment by the company, certification from a reputable
24 and objective third party that such equipment is not being used by a party
25 participating in armed conflict in Sudan, or sale of such equipment solely
26 to the regional government of southern Sudan or any internationally
27 recognized peacekeeping force or humanitarian organization.

1 Notwithstanding any provision of this ~~article~~ PART 1 to the contrary, a
2 social development company that is not complicit in the Darfur genocide
3 shall not be considered a scrutinized company.

4 **SECTION 4.** In Colorado Revised Statutes, 24-54.8-104, **amend**
5 (1) (b), (5), and (6) as follows:

6 **24-54.8-104. Required actions.** (1) **Engagement.** A public fund
7 shall adhere to the following procedures for companies on the scrutinized
8 companies list:

9 (b) For each company identified pursuant to paragraph (a) of this
10 subsection (1) with only inactive business operations, the public fund
11 shall send a written notice informing the company of this ~~article~~ PART 1
12 and encouraging it to continue to refrain from initiating active business
13 operations in Sudan until it is able to avoid scrutinized business
14 operations. The public fund shall continue such correspondence on a
15 semi-annual basis.

16 (5) **Excluded securities.** Notwithstanding any other provision of
17 this ~~article~~ PART 1, subsections (2) and (3) of this section do not apply to
18 indirect holdings in actively managed investment funds. A public fund
19 shall, however, submit letters to the managers of such investment funds
20 containing companies with scrutinized active business operations
21 requesting that they consider removing such companies from the fund or
22 create a similar actively managed fund with indirect holdings devoid of
23 such companies. If the manager creates a similar fund and if the public
24 fund determines investment in the similar fund is consistent with prudent
25 investment standards, the public fund shall replace all applicable
26 investments with investments in the similar fund in an expedited time. In
27 addition, notwithstanding any other provision of this ~~article~~ PART 1, for

1 passively managed indirect holdings, if the manager does not remove
2 such companies or create a similar fund consistent with prudent
3 investment standards by October 1, 2008, or nine months after the date
4 the public fund first requests the manager to act, whichever is later, then
5 the scrutinized companies with active business operations shall be
6 removed from the indirect passively managed assets of the public fund.

7 (6) **Defined contribution plans.** Notwithstanding any other
8 provision of this ~~article~~ PART 1, public funds, when discharging their
9 responsibility for operation of a defined contribution plan, shall engage
10 the manager of the investment offerings in such plans requesting that they
11 consider removing scrutinized companies from the investment offerings
12 or create an alternative investment offering devoid of scrutinized
13 companies. If the manager creates an alternative investment offering and
14 the offering is deemed consistent with prudent investor standards by the
15 public fund, the public fund shall consider including such investment
16 offering in the plan.

17 **SECTION 5.** In Colorado Revised Statutes, 24-54.8-106, **amend**
18 (1) introductory portion and (1) (c) as follows:

19 **24-54.8-106. Provisions for repeal.** (1) This ~~article~~ PART 1 is
20 repealed upon the occurrence of any one of the following:

21 (c) The congress or president of the United States, through
22 legislation or executive order, declares that mandatory divestment of the
23 type provided for in this ~~article~~ PART 1 interferes with the conduct of
24 United States foreign policy.

25 **SECTION 6. Act subject to petition - effective date.** This act
26 takes effect at 12:01 a.m. on the day following the expiration of the
27 ninety-day period after final adjournment of the general assembly (August

1 10, 2016, if adjournment sine die is on May 11, 2016); except that, if a
2 referendum petition is filed pursuant to section 1 (3) of article V of the
3 state constitution against this act or an item, section, or part of this act
4 within such period, then the act, item, section, or part will not take effect
5 unless approved by the people at the general election to be held in
6 November 2016 and, in such case, will take effect on the date of the
7 official declaration of the vote thereon by the governor.