



**ASSEMBLY AMENDMENT 1,
TO 2007 ASSEMBLY BILL 623**

February 26, 2008 – Offered by Representatives KESSLER, FIELDS, BENEDICT, NELSON, HINTZ, POPE-ROBERTS, CULLEN, VAN AKKEREN, SCHNEIDER, WASSERMAN, BERCEAU, YOUNG, TURNER, SOLETSKI, SEIDEL, GRIGSBY, PARISI, TOLES, SHERIDAN, POCAN, HILGENBERG, HIXSON, MOLEPSKE, ZEPNICK, HEBL, GRONEMUS, SMITH, A. WILLIAMS, WOOD and SUDER.

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 2, line 6: delete “To” and substitute “~~To~~”.

3 **2.** Page 2, line 6: delete “manage” and substitute “Subject to sub. (2m), to
4 manage”.

5 **3.** Page 2, line 10: after that line insert:

6 “**SECTION 2m.** 25.15 (2m) of the statutes is created to read:

7 **25.15 (2m) QUALIFICATION OF STANDARD OF RESPONSIBILITY FOR CERTAIN**
8 **INVESTMENTS.** (a) Subject to par. (c), the investment in any security directly banned
9 by the U.S. Congress or in any security of a business entity doing business in a
10 country or region declared by Congress to be engaging in acts of genocide violates the
11 standard of responsibility under sub. (2) if Congress has explicitly passed an act
12 legally enabling states to divest from such securities.

13 (b) Paragraph (a) does not apply to any of the following:

1 1. Any investment by the board if, with respect to the investment, the board
2 follows divestment authorization guidelines contained in the act of Congress
3 providing guidance on industries or business operations that should be targeted for
4 divestment and business operations that should be exempt from divestment.

5 2. Any security that is an indirect holding in an actively managed investment
6 fund.

7 3. Any investment in a private equity fund.

8 4. Any security that is a passively managed indirect holding in a fund if the
9 costs to the board of divesting the security exceed 10 percent of the total value of the
10 board's holding in the fund that is attributable to that security. This subdivision
11 applies only for so long as the costs of divestment exceed the amount specified in this
12 subdivision.

13 5. Any security if divestment of the security by the board would cause the value
14 for all assets under management by the board to decrease to 99.9 percent or less of
15 the value of all assets under management by the board when calculated as if the
16 board had not divested itself of any security to avoid violating its standard of
17 responsibility as provided in par. (a). This subdivision applies only for so long as the
18 decrease in value of assets specified in this subdivision would result from
19 divestment.

20 (c) If an act of Congress specified in par. (a) becomes effective after the effective
21 date of this paragraph [revisor inserts date], the board does not violate its
22 standard of responsibility if it does all of the following:

23 1. Not later than 90 days after the effective date of the act of Congress,
24 identifies all securities in which it has direct or indirect holdings that would cause

1 it to violate its standard of responsibility under par. (a) and notify the issuer of each
2 such security of the provisions of this subsection.

3 2. Not later than 90 days after providing the notice specified in subd. 1., for each
4 security for which notice is provided under subd. 1., determines whether continuing
5 to hold the security would cause the board to violate its standard of responsibility
6 under par. (a). For purposes of this subdivision, if a business entity adopts a
7 corporate policy that will effectively cease business operations in a country or region
8 declared by Congress to be engaging in acts of genocide, the board may consider the
9 business entity to no longer be doing business in the country or region and the board's
10 continuing to hold securities of the business entity after the adoption of the corporate
11 policy does not violate the board's standard of responsibility under par. (a).

12 3. If the answer under subd. 2. is in the affirmative, begins divesting the
13 security not later than 90 days after providing the notice specified in subd. 1. and
14 divests at least 50 percent of its assets in all such securities within 9 months after
15 the effective date of the act of Congress and 100 percent of its assets in all such
16 securities within 15 months after the effective date of the act of Congress.”.

17 **4.** Page 3, line 11: after “(2)” insert “and (2m)”.

18 **5.** Page 3, line 11: after that line insert:

19 **“SECTION 4m. Nonstatutory provisions.**

20 (1) Notwithstanding section 25.15 (2m) of the statutes, as created by this act,
21 with respect to any act of Congress specified in section 25.15 (2m) (a) of the statutes
22 that became effective on or prior to the effective date of this subsection, the
23 investment board does not violate its standard of responsibility under section 25.15

1 of the statutes, as affected by this act, if the investment board does all of the
2 following:

3 (a) Not later than 90 days after the effective date of this paragraph, identifies
4 all securities in which it has direct or indirect holdings that would cause it to violate
5 its standard of responsibility under section 25.15 (2m) of the statutes, as created by
6 this act, and notifies the issuer of each such security of the provisions of this act.

7 (b) Not later than 90 days after providing the notice specified in paragraph (a),
8 for each security for which notice is provided under paragraph (a), determines
9 whether continuing to hold the security would cause it to violate its standard of
10 responsibility under section 25.15 (2m) of the statutes, as created by this act. For
11 purposes of this paragraph, if a business entity adopts a corporate policy that will
12 effectively cease business operations in a country or region declared by Congress to
13 be engaging in acts of genocide, the board may consider the business entity to no
14 longer be doing business in the country or region and the board's continuing to hold
15 securities of the business entity after the adoption of the corporate policy does not
16 violate the board's standard of responsibility under section 25.15 (2m) of the statutes,
17 as created by this act.

18 (c) If the answer to paragraph (b) is in the affirmative, begins divesting the
19 security not later than 90 days after providing the notice specified in paragraph (a)
20 and divests at least 50 percent of its assets in all such securities within 9 months after
21 the effective date of this paragraph and 100 percent of its assets in all such securities
22 within 15 months after the effective date of this paragraph.”

23

(END)