

STATE OF NEW YORK

7194

IN SENATE

(Prefiled)

January 3, 2018

Introduced by Sen. BENJAMIN -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions

AN ACT to amend the retirement and social security law, in relation to prohibiting the investment of common retirement funds in private prisons

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The retirement and social security law is amended by adding
2 a new section 423-d to read as follows:

3 § 423-d. Investments in private prisons. 1. No monies of the common
4 retirement fund shall be invested in the stocks, securities, or other
5 obligations of any institution, company, or subsidiary that owns or
6 invests in a for-profit institution that owns or contracts with a
7 government to manage or run a prison.

8 2. Notwithstanding any other provision of law to the contrary, no
9 later than one year after the effective date of this act, any moneys or
10 assets of the common retirement fund which shall remain or be invested
11 in the stocks, securities, or other obligations of any institution,
12 company, or subsidiary of a company that owns or invests in a for-profit
13 institution that owns or contracts with a government to manage or run a
14 prison shall be withdrawn.

15 3. The comptroller shall, in accordance with sound investment criteria
16 and consistent with his or her fiduciary obligations, divest any such
17 stocks, securities, or other obligations whether they are owned directly
18 or held through separate accounts or any commingled funds. The comp-
19 troller shall strive to maximize the potential value of all assets
20 liquidated under this section in determining what point to conduct sale
21 or liquidation, and may effectuate sale of assets pursuant to subdivi-
22 sion two of this section at any point within one year after the effec-
23 tive date of this act on the basis of potential loss from the sale of
24 the relevant assets compared to the value of the assets at the time of
25 purchase. Provided, however, that if the value of the assets are greater

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 on the effective date of this act than on the date of purchase, the
2 comptroller shall begin sale or liquidation of such assets immediately.

3 4. On or before six months after the effective date of this act, the
4 comptroller shall issue a report to the governor, the temporary presi-
5 dent of the senate, and the speaker of the assembly and shall make such
6 report publicly available on all actions taken pursuant to this section,
7 including investment actions taken and, if investment action has not
8 been taken pursuant to subdivision three of this section, the reasons
9 for the comptroller's inaction and plans for full compliance with this
10 section.

11 § 2. This act shall take effect immediately.