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:

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

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

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owns or invests in a for-profit institution that owns or contracts with a government to manage or run a prison shall be withdrawn.

3. The comptroller shall, in accordance with sound investment criteria and consistent with his or her fiduciary obligations, divest any such stocks, securities, or other obligations whether they are owned directly or held through separate accounts or any commingled funds. The comptroller shall strive to maximize the potential value of all assets liquidated under this section in determining what point to conduct sale or liquidation, and may effectuate sale of assets pursuant to subdivision two of this section at any point within one year after the effective date of this act on the basis of potential loss from the sale of the relevant assets compared to the value of the assets at the time of 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.

LBD14057-01-7

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

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

§ 2. This act shall take effect immediately.