

WHEREAS, On December 31, 2007, the President of the United States signed into law the Sudan Accountability and Divestment Act of 2007, which authorizes state and local governments that comply with the Act to divest assets in companies that conduct business operations in Sudan; and

WHEREAS, ~~While divestiture~~ Divestiture should be considered with the intent to improve investment performance and, by the rules of prudence, fiduciaries must take into account all relevant substantive factors in arriving at an investment decision; and

WHEREAS, The State is deeply concerned about investments in publicly traded companies that have invested in Iran's petroleum-energy sector ~~as a financial risk to the shareholders;~~ and

WHEREAS, The Maryland Court of Appeals has indicated that the fiduciaries of public pension plans in the State may consider humanitarian and other social issues in their analysis of investments if the associated costs are de minimis; and

~~WHEREAS, By investing in publicly traded companies which have invested in Iran's petroleum energy sector, the Board of Trustees for the State Retirement and Pension System is putting the funds it oversees at substantial financial risk; and~~

WHEREAS, The General Assembly finds that this Act should remain in effect only insofar as it continues to be consistent with and does not unduly interfere with the foreign policy of the United States as determined by the federal government; now, therefore,

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 21-123.1 of the Article - State Personnel and Pensions of the Annotated Code of Maryland be repealed.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - State Personnel and Pensions

~~21-123.2,~~ 21-123.1.

(A) (1) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) (1) "ACTIVELY MANAGED SEPARATE ACCOUNTS" MEANS THE ACCOUNTS OF THE SEVERAL SYSTEMS THAT ARE ACTIVELY MANAGED AT THE DIRECTION OF THE BOARD OF TRUSTEES AND HELD IN SEPARATE ACCOUNTS.