

As Introduced

**131st General Assembly
Regular Session
2015-2016**

H. J. R. No. 6

Representative Johnson, T.

Cosponsors: Speaker Rosenberger, Representatives Anielski, Antani, Baker, Becker, Blessing, Boose, Brenner, Buchy, Burkley, Butler, Conditt, Derickson, Dever, DeVitis, Dovilla, Ginter, Gonzales, Green, Grossman, Hackett, Hagan, Hall, Hambley, Hayes, Hill, Hood, Huffman, Koehler, Landis, LaTourette, Maag, McClain, McColley, Patmon, Perales, Retherford, Rezabek, Romanchuk, Ruhl, Scherer, Sears, Sprague, Terhar, Thompson, Young, Zeltwanger

A JOINT RESOLUTION

Proposing to enact Section 18 of Article VIII of the 1
Constitution of the State of Ohio to prohibit state 2
agencies and the state's public retirement systems 3
from contracting with and investing in companies with 4
certain business operations in countries designated as 5
state sponsors of terrorism and to require state 6
agencies and public retirement systems to divest 7
investments from such companies. 8

Be it resolved by the General Assembly of the State of 9
Ohio, three-fifths of the members elected to each house 10
concurring herein, that there shall be submitted to the electors 11
of the state, in the manner prescribed by law at the general 12
election to be held on November 8, 2016, a proposal to enact 13
Section 18 of Article VIII of the Constitution of the State of 14
Ohio to read as follows: 15

ARTICLE VIII

Section 18. (A) To ensure that state funds and public retirement system funds do not support international acts of terrorism, neither a state agency nor a public retirement system shall knowingly do either of the following: 16
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(1) Enter into, extend, or renew a contract with a designated company to acquire, provide, or dispose of services, supplies, or information technology to the agency or retirement system; 20
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(2) Invest in stocks, bonds, or any other direct holdings in a designated company. 24
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(B) (1) Not later than December 31, 2018, a state agency or public retirement system shall terminate any contract in effect on that date between the agency or retirement system and a designated company. No such contracts shall be extended or renewed after the earlier of December 31, 2018, or the date on which the contract expires or is terminated. No other provision of the Constitution shall impair or limit this power. 26
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(2) Not later than December 31, 2018, a state agency or public retirement system shall sell, redeem, or divest any of the agency's or retirement system's stocks, bonds, and any other direct holdings in a designated company in a manner that is orderly and consistent with its fiduciary duties. 33
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(C) This section shall no longer apply to a designated company if both of the following are the case: 38
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(1) The United States Department of State rescinds a country's designation as a state sponsor of terrorism; 40
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(2) The General Assembly enacts a provision to remove the 42

prohibition specified in division (A) of this section with 43
regard to the country whose designation has been rescinded. 44

(D) As used in this section: 45

(1) "Active business operations" means engaging in 46
commerce on or after the effective date of this section in any 47
form in a designated country, including by maintaining, selling, 48
acquiring, developing, owning, possessing, operating, or leasing 49
equipment, facilities, personnel, products, services, personal 50
or real property, or any other apparatus of business or 51
commerce. 52

(2) "Company" means any sole proprietorship, organization, 53
association, corporation, partnership, joint venture, limited 54
partnership, limited liability partnership, limited liability 55
company, or other entity or business association, including all 56
wholly-owned subsidiaries, majority-owned subsidiaries, parent 57
companies, or affiliates of those entities or business 58
associations, that exist for the purpose of making a profit. 59

(3) "Designated company" means a company with active 60
business operations in a strategic industry in a country 61
designated on or after January 1, 2015, as a state sponsor of 62
terrorism by the United States Department of State. 63

(4) "Direct holdings" means all publicly traded securities 64
of a company that are held directly by a state agency or public 65
retirement system in an actively managed account or fund in 66
which the agency or retirement system owns all shares or 67
interests. 68

(5) "Public retirement system" means a retirement system 69
established by the laws of the state to provide age and service 70
retirement and disability benefits to state and local government 71

employees. 72

(6) "State agency" means any organized body, office, agency, institution, or other entity established by the laws of the state for the exercise of any function of state government. "State agency" does not include the nonprofit corporation formed under section 187.01 of the Revised Code. 73
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(7) "Strategic industry" includes all of the following: 78

(a) Military equipment, such as weapons, arms, military supplies, and equipment, including radar systems or military-grade transport vehicles, that readily may be used for military purposes; 79
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(b) Mineral extraction activities, which include exploring, extracting, processing, transporting, or wholesale selling or trading of elemental minerals or associated metal alloys or oxides, also known as ore, including gold, copper, chromium, chromite, diamonds, iron, iron ore, silver, tungsten, uranium, and zinc; and includes facilitating such activities, including by providing supplies or services in support of such activities; 83
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(c) Oil-related activities, which include owning rights to oil blocks; exporting, extracting, producing, refining, processing, exploring for, transporting, selling, or trading of oil; constructing, maintaining, or operating a pipeline, refinery, or other oil-field infrastructure; or facilitating such activities, including by providing supplies or services in support of such activities. "Oil-related activities" does not mean engaging in only the retail sale of gasoline and related consumer products. 91
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(d) Petroleum resources, such as petroleum, petroleum 100

<u>byproducts, and natural gas;</u>	101
<u>(e) Power production activities, which include any</u>	102
<u>business operation that involves a project commissioned by the</u>	103
<u>government of a designated country whose purpose is to</u>	104
<u>facilitate power generation and delivery, including establishing</u>	105
<u>power-generating plants or hydroelectric dams, selling or</u>	106
<u>installing components for a project, providing service contracts</u>	107
<u>related to the installation or maintenance of a project, or</u>	108
<u>facilitating any of these activities, including by providing</u>	109
<u>supplies or services in support of such activities.</u>	110
 EFFECTIVE DATE	111
 If adopted by a majority of the electors voting on this	112
proposal, Section 18 of Article VIII of the Constitution of the	113
State of Ohio shall take effect ninety days after its adoption.	114