

CHAPTER 226
QUOTAS ON CITATIONS PROHIBITED
S.F. 497

AN ACT prohibiting political subdivisions or agencies of this state from requiring their employed peace officers to issue a certain number of citations or memorandums.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. NEW SECTION. 321.492A QUOTAS ON CITATIONS PROHIBITED.

A political subdivision or agency of the state shall not order, mandate, require, or in any other manner, directly or indirectly, suggest to a peace officer employed by the political subdivision or agency that the peace officer shall issue a certain number of traffic citations, police citations, memorandums of traffic, or memorandums of faulty equipment on a daily, weekly, monthly, quarterly, or yearly basis.

Approved May 30, 1985

CHAPTER 227
SOUTH AFRICA DIVESTITURE
S.F. 110

AN ACT prohibiting the treasurer of state from purchasing a security issued by or depositing money in a financial institution participating in loans to the Republic of South Africa, prohibiting funds of the Iowa public employees' retirement system or institutions controlled by the state board of regents from being invested or deposited in financial institutions or companies which invest in or do business with or in the Republic of South Africa, providing for divestiture of the investments, and providing for civil penalties.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. NEW SECTION. 12A.1 LEGISLATIVE FINDING.

The legislature finds that the present government of the Republic of South Africa, through its legally sanctioned policies of racial discrimination, is violative of both the substance and the intent of Iowa laws protecting individuals from unjust discrimination. Therefore, the legislature intends that state funds and funds administered by the state shall not be invested or deposited in financial institutions or companies making loans to or doing business with or in the Republic of South Africa.

Sec. 2. NEW SECTION. 12A.2 DEFINITIONS.

As used in this chapter, unless the context otherwise requires:

1. "Financial institution" means a federal-chartered or state-chartered bank, savings and loan, thrift institution, any other institution, or affiliate of the foregoing permitted by state or federal law to receive deposits of money and to pay out that money through loans, draft accounts, or the sale of financial institution securities.

2. "Affiliate" means any entity controlling, controlled by or under common control with a financial institution.

3. "Financial institution security" means a stock or bond issued by a financial institution, or a certificate of deposit, bankers acceptance, or other negotiable security issued by a financial institution.

4. "Republic of South Africa" includes the government, an agency, or an instrumentality of the Republic of South Africa, and any territory under the administration, legal or illegal, of the Republic of South Africa including the "bantustans" or "homelands" to which South African blacks are assigned on the basis of ethnic origin such as the Transkei, Bophuthatswana, Venda, Ciskei, and Kwazulu.

5. "Value" consists of cash, the par value or unpaid balance of all unmatured or unpaid investments requiring the payment of a fixed amount at payment date, and the cost price of all other investments.

6. "Doing business in the Republic of South Africa" means conducting or performing manufacturing, assembly or warehousing or other operations within the Republic of South Africa, except that it shall not mean any company which has adopted the Sullivan principles and has obtained a performance rating in the top two categories of the Sullivan principles rating system prepared by Arthur D. Little, Inc., or is in categories four or five of the rating system. This definition also shall not mean any company that has been a signatory of the Sullivan principles for at least five years and has obtained a performance rating in the top two categories during four of the past five years.

7. "Doing business with the Republic of South Africa" means directly or indirectly supplying strategic products or services for use by the government of South Africa or for use by the military or police in South Africa. This includes, but is not limited to, transactions carried out through intermediary corporations.

8. "Strategic products or services" means articles designated as arms, ammunition and implements of war in 22 C.F.R. § 121, and data processing equipment and computers sold for military or police use or for use in connection with the pass system as practiced in the Republic of South Africa.

Sec. 3. NEW SECTION. 12A.3 PROHIBITED INVESTMENTS AND DEPOSITS.

1. The treasurer of state shall not invest or deposit funds belonging to the state of Iowa in a financial institution which has made a loan, after the effective date of this Act, to the Republic of South Africa, or in the stocks, securities, or other obligations of such a financial institution or of any company doing business in or with the Republic of South Africa.

2. The state board of regents shall not invest or deposit funds belonging to the institutions under the control of the state board of regents in a financial institution which has made a loan, after the effective date of this Act, to the Republic of South Africa, or in the stocks, securities, or other obligations of such a financial institution or of any company doing business in or with the Republic of South Africa.

3. The Iowa department of job service shall not invest or deposit funds from the Iowa public employment retirement fund in a financial institution which has made a loan, after the effective date of this Act, to the Republic of South Africa, or in the stocks, securities or other

obligations of such a financial institution or of any company doing business in or with the Republic of South Africa.

4. This section does not prohibit any of the following:

a. The purchase of securities issued by the United States government or agreements to purchase or repurchase such securities or securities issued by firms not otherwise prohibited from purchase under this chapter.

b. Custodial agreements or accounts used for purchases and sales of securities otherwise acceptable under this chapter.

c. The deposit of funds with a paying agent for bonds of the state board of regents issued prior to January 1, 1985.

5. This section shall not apply to companies doing business in the Republic of South Africa who have adopted the Sullivan principles and have obtained a performance rating in the top two categories of the Sullivan principles rating system prepared by Arthur D. Little, Inc., or are in categories four or five of the rating system.

The treasurer of state shall maintain a list of such companies in accordance with the provisions of section 12A.6.

Sec. 4. NEW SECTION. 12A.4 DIVESTITURE.

1. The treasurer of state, the state board of regents, and the department of job service shall make no additional investments of the type prohibited under section 12A.3 subsequent to June 30, 1985. The sale of securities and investments held by the treasurer of state, the state board of regents, and the department of job service on the effective date of this Act that are prohibited under section 12A.3 shall be completed by July 1, 1990, unless prior thereto the general assembly determines that substantial and fundamental progress in establishing human rights policies in the Republic of South Africa has occurred. Subject to any such action of the general assembly not less than one fifth of the value of the investments held on July 1, 1985 shall be sold in the year beginning July 1, 1988.

2. As long as funds remain in investments that would be prohibited under section 12A.3, the treasurer, the board of regents, and the department of job service shall:

a. File with the general assembly, not later than January 20 of each year, a report listing all South Africa-related investments administered by the treasurer, the board of regents, or the department of job service and their value as of the preceding December 31.

b. Exercise its right to vote stock in any election in order to require the company doing business in or with the Republic of South Africa to divest itself of investments in the Republic of South Africa and to cease doing business in or with the Republic of South Africa or to prevent the company from entering into any investment or business in or with the Republic of South Africa.

Sec. 5. NEW SECTION. 12A.6 ELIGIBILITY.

1. The treasurer of state shall maintain a list of companies that do business in or with the Republic of South Africa. The list shall be developed with reference to information obtained from the United States department of commerce and Arthur D. Little, Inc. and other authoritative sources. The treasurer shall mail written notification to each company on the divestiture list.

2. A financial institution or other company ineligible to receive investments or deposits may establish eligibility if documentary evidence is submitted to the treasurer of state. The evidence must be sufficient to establish that the financial institution or company has adopted a written policy that prohibits the lending of its assets to or doing business with the Republic of South Africa. As used in this section, "documentary evidence" includes, but is not limited to, an executed affidavit by an appropriate officer of the financial institution or company, in a form prepared by the treasurer of state, attesting to the fact that the financial institution or company prohibits the lending of its assets or doing business with the Republic of South Africa. The treasurer of state shall attempt to verify compliance by checking sources of information not affiliated with the financial institution.

3. The treasurer of state, the board of regents, and the department of job service shall adopt rules under chapter 17A to implement this Act including rules to assess civil penalties against a person who files false or misleading documentary evidence. Penalties shall be deposited in the state general fund. The civil penalties shall not exceed five thousand dollars for each violation. All civil penalties collected shall be deposited in the state general fund.

Sec. 6. Section 12.8, unnumbered paragraph 1, Code 1985, is amended to read as follows:

The treasurer of state shall invest or deposit, subject to chapter 12A and as provided by law, any of the public funds not currently needed for operating expenses and shall do so upon receipt of monthly notice from the state comptroller of ~~such the~~ amount not so needed. In the event of loss on redemption or sale of securities, ~~where~~ invested as prescribed by law, and ~~any such if the~~ transaction is reported to the executive council, neither the treasurer nor comptroller ~~shall be~~ are personally liable but ~~such the~~ loss shall be charged against ~~such the~~ funds as which would have received the profits or interest of the investment and there is hereby appropriated from such the funds an the amount as may be so required.

Sec. 7. Section 97B.7, subsection 2, paragraph b, unnumbered paragraph 1, Code 1985, is amended to read as follows:

Invest, subject to chapter 12A, such the portion of said the trust funds as which in the judgment of the department ~~are is~~ not needed for current payment of benefits under this chapter in interest-bearing securities issued by the United States, or interest-bearing bonds issued by the state of Iowa, or bonds issued by counties, or school districts, or general obligations or limited levy bonds issued by municipal corporations in this state as authorized by law, or other investments authorized for life insurance companies in this state including common stocks issued or guaranteed by a corporation created or existing under the laws of the United States or any state, district, or territory ~~thereof of the United States~~ subject to the following restrictions:

Sec. 8. Section 262.14, unnumbered paragraph 1, Code 1985, is amended to read as follows:

The board may invest funds belonging to ~~said the~~ institutions, subject to chapter 12A and the following regulations:

Approved May 30, 1985