



Ohio Legislative Service Commission

Resolution Analysis

Cody Weisbrodt

H.J.R. 6

131st General Assembly
(As Introduced)

Reps. T. Johnson, Rosenberger, 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

RESOLUTION SUMMARY

- Proposes an amendment to the Ohio Constitution to appear on the ballot at the November 8, 2016, General Election.
- Prohibits state agencies and public retirement systems from knowingly entering into, extending, or renewing contracts with, or investing in direct holdings of any designated company.
- Defines "designated company" as a company with active business operations in a strategic industry in a country designated a state sponsor of terrorism by the United States Department of State.
- Provides a list of industries and accompanying activities that are considered "strategic industries."
- Requires state agencies and public retirement systems to terminate all contracts with designated companies by December 31, 2018.
- Requires state agencies and public retirement systems to sell, redeem, or divest any direct holdings in a designated company by December 31, 2018.

CONTENT AND OPERATION

The constitutional amendment proposed by the resolution requires state agencies and public retirement systems to cancel contracts and divest themselves from specifically defined designated companies to ensure that system funds do not

contribute to international terrorism. More specifically, the proposed constitutional amendment prohibits state agencies and public retirement systems from knowingly entering into, extending, or renewing contracts for services, supplies, or information technology with "designated companies."

The term "designated company," as defined in the proposed constitutional amendment, is a company engaged in actual business operations in a strategic industry in a country designated on or after January 1, 2015, as a state sponsor of terror by the United States Department of State. The proposed constitutional amendment further provides that the term "strategic industry" specifically includes the following: military equipment or equipment that may be readily used for military purposes, mineral extraction, oil resources (except for retail sale of gasoline and related consumer products), petroleum resources, and power production. The proposed constitutional amendment also details the activities within each industry that cause a company to operate in a strategic industry.

Agencies and retirement systems are also prohibited from investing in stocks, bonds, or other direct holdings of a designated company. State agencies and public retirement systems must terminate all contracts with designated companies and sell or divest themselves from all stocks, bonds, or direct holdings in those companies by December 31, 2018. Agencies and retirement systems may be exempt from these cancellation and divestment requirements with respect to specific designated companies if: (1) the United States Department of State rescinds the state sponsor of terrorism designation from the country in which a designated company operates, and (2) the General Assembly subsequently enacts a provision to remove the termination and divestment requirements for agencies and retirement systems for the country whose designation has been rescinded.

HISTORY

ACTION

DATE

Introduced

02-02-16

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