

HOUSE BILL REPORT

HB 1407

*As Reported By House Committee on:
State Government*

Title: An act relating to investment of state funds in corporations doing business in Northern Ireland.

Brief Description: Defining procedure for investment of state funds.

Sponsor(s): Representatives Dellwo, O'Brien, Heavey, Cantwell, Anderson, Wineberry and Valle.

Brief History:

Reported by House Committee on:
State Government, March 6, 1991, DPS.

**HOUSE COMMITTEE ON
STATE GOVERNMENT**

Majority Report: *That Substitute House Bill No. 1407 be substituted therefor, and the substitute bill do pass.* Signed by 9 members: Representatives Anderson, Chair; Pruitt, Vice Chair; Bowman, Assistant Ranking Minority Member; Chandler; R. Fisher; Grant; Moyer; O'Brien; and Sheldon.

Minority Report: *Do not pass.* Signed by 1 member: Representative McLean, Ranking Minority Member.

Staff: Linda May (786-7135).

Background: The State Investment Board is responsible for investing and reinvesting the monies of the state's trust and retirement systems. Statute directs the board to adopt investment policies and procedures designed exclusively to maximize return at a prudent level of risk.

Summary of Substitute Bill: The State Investment Board is to examine the corporations in which the board has investments and compile a list of those corporations that do business in Northern Ireland directly or through a subsidiary. The board is to determine whether these corporations have taken substantial action to achieve the "MacBride Principles." These principles promote equal opportunity and fair employment practices for members of under-represented religious groups in Northern Ireland.

The board is also directed to sponsor or support shareholder resolutions designed to encourage corporations in Northern Ireland in which the board has invested to adopt the MacBride Principles. Where consistent with sound investment policy, the board is encouraged to target funds available for future investment in Northern Ireland to corporations which have adopted the MacBride Principles.

Substitute Bill Compared to Original Bill: The original bill required the State Investment Board to direct state funds available for future investment in Northern Ireland to corporations which have adopted the MacBride Principles. The substitute bill encourages, rather than requires, the board to do so.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: Discrimination against Catholics is commonplace and widespread in Northern Ireland, including discrimination in hiring practices and advancement. While living in Ireland, people come to accept and put up with discrimination. A move to America can make one very conscious of what opportunities exist here and of how much discrimination was present in Ireland. In Ireland, Catholics are 2.5 times more likely to be unemployed than other groups. There is a general air of despair among youth. There is a blatant disregard of human rights. The struggle for human rights is a concern of America. U.S. funds may be part of the discrimination. The MacBride Principles apply to discrimination against Protestants too, as well as others. Many other states and cities have adopted the MacBride Principles.

Testimony Against: None.

Witnesses: Representative Dennis Dellwo, Kay McKenna, Rory McKenna, and Joe Martin and Marianne Blumhoff, Americans for MacBride Washington Campaign (all in favor).