

SENATE JOINT RESOLUTION J

October 25, 2007, Introduced by Senators BROWN, KUIPERS, JACOBS, JANSEN, THOMAS, ANDERSON, BASHAM, BARCIA, OLSHOVE, SANBORN, GLEASON, GILBERT, PAPPAGEORGE, CLARKE, JELINEK, VAN WOERKOM and BRATER and referred to the Committee on Homeland Security and Emerging Technologies.

A joint resolution proposing an amendment to the state constitution of 1963, by amending sections 5 and 6 of article VIII and section 19 of article IX, to prohibit the investment of certain public funds in companies engaged in business with known state sponsors of terror.

Resolved by the Senate and House of Representatives of the state of Michigan, That the following amendment to the state constitution of 1963, to prohibit the investment of certain public funds in companies engaged in business with known state sponsors of terror, is proposed, agreed to, and submitted to the people of the state:

ARTICLE VIII

Sec. 5. The regents of the University of Michigan and their

1 successors in office shall constitute a body corporate known as the
2 Regents of the University of Michigan; the trustees of Michigan
3 State University and their successors in office shall constitute a
4 body corporate known as the Board of Trustees of Michigan State
5 University; the governors of Wayne State University and their
6 successors in office shall constitute a body corporate known as the
7 Board of Governors of Wayne State University. ~~Each~~ **EXCEPT AS**
8 **PROVIDED IN SECTION 19 OF ARTICLE IX, EACH** board shall have general
9 supervision of its institution and the control and direction of all
10 expenditures from the institution's funds. Each board shall, as
11 often as necessary, elect a president of the institution under its
12 supervision. ~~He shall be~~ **THE PRESIDENT IS** the principal executive
13 officer of the institution, ~~be~~ **AND AN** ex-officio ~~a~~ member of the
14 board without the right to vote and **SHALL** preside at meetings of
15 the board. The board of each institution shall consist of eight
16 members who shall hold office for terms of eight years and who
17 shall be elected as provided by law. The governor shall fill board
18 vacancies by appointment. Each appointee shall hold office until a
19 successor has been nominated and elected as provided by law.

20 Sec. 6. Other institutions of higher education established by
21 law having authority to grant baccalaureate degrees shall each be
22 governed by a board of control which shall be a body corporate. ~~The~~
23 **EXCEPT AS PROVIDED IN SECTION 19 OF ARTICLE IX, EACH** board shall
24 have general supervision of the institution and the control and
25 direction of all expenditures from the institution's funds. It
26 shall, as often as necessary, elect a president of the institution
27 under its supervision. ~~He shall be~~ **THE PRESIDENT IS** the principal

1 executive officer of the institution and ~~be~~ **AN** ex-officio a member
2 of the board without the right to vote. The board may elect one of
3 its members or may designate the president, to preside at board
4 meetings. Each board of control shall consist of eight members who
5 shall hold office for terms of eight years, not more than two of
6 which shall expire in the same year, and who shall be appointed by
7 the governor by and with the advice and consent of the senate.
8 Vacancies shall be filled in like manner.

9 ARTICLE IX

10 Sec. 19. **(1)** The state shall not subscribe to, nor be
11 interested in the stock of any company, association or corporation,
12 except as follows:

13 (a) Funds accumulated to provide retirement or pension
14 benefits for public officials and employees may be invested as
15 provided by law.

16 (b) Endowment funds created for charitable or educational
17 purposes may be invested as provided by law governing the
18 investment of funds held in trust by trustees.

19 (c) Funds held as permanent funds or endowment funds other
20 than those described in subdivision (b) may be invested as provided
21 by law.

22 **(2)** Except as otherwise provided in this section, other state
23 funds or money may be invested in accounts of a bank, savings and
24 loan association, or credit union organized under the laws of this
25 state or federal law, as provided by law.

26 **(3) A PUBLIC BODY SHALL NOT INVEST OR DEPOSIT ANY PUBLIC FUNDS**
27 **IN ANY BUSINESS, LEGAL, OR GOVERNMENTAL ENTITY OR INSTITUTION THAT**

1 IS ENGAGED IN BUSINESS WITH KNOWN STATE SPONSORS OF TERROR OR THAT
2 HAS FACILITIES OR CONDUCTS BUSINESS IN ANY STATE SPONSORS OF
3 TERROR. BOTH OF THE FOLLOWING APPLY FOR PURPOSES OF THIS
4 SUBSECTION:

5 (A) AN INDEPENDENT FRANCHISEE OF A BUSINESS ENTITY IS NOT
6 CONSIDERED PART OF THAT BUSINESS ENTITY.

7 (B) THIS SUBSECTION DOES NOT APPLY TO THE ACTIVITIES OF ANY
8 BUSINESS, LEGAL, OR GOVERNMENTAL ENTITY OR INSTITUTION PROVIDING
9 HUMANITARIAN AID TO THE PEOPLE OF ANY STATE SPONSORS OF TERROR
10 THROUGH A GOVERNMENTAL AGENCY OR DEPARTMENT OR THROUGH A
11 NONGOVERNMENTAL ORGANIZATION.

12 (4) A PUBLIC BODY SHALL DISPOSE OF OR WITHDRAW ANY ASSETS OR
13 MONEY OF THE PUBLIC BODY INVESTED OR DEPOSITED IN A BUSINESS,
14 LEGAL, OR GOVERNMENTAL ENTITY OR INSTITUTION DESCRIBED IN
15 SUBSECTION (3) WITHIN THE FOLLOWING TIME PERIODS:

16 (A) AT LEAST 50% OF THOSE ASSETS OR MONEY WITHIN 9 MONTHS
17 AFTER THE DATE THIS AMENDMENT BECOMES PART OF THIS CONSTITUTION.

18 (B) ALL OF THOSE ASSETS OR MONEY WITHIN 15 MONTHS OF THE DATE
19 THIS AMENDMENT BECOMES PART OF THIS CONSTITUTION.

20 (5) THE GOVERNING BODY OF EACH PUBLIC BODY SHALL ANNUALLY
21 PROVIDE THE DEPARTMENT OF TREASURY WITH ANY INFORMATION CONCERNING
22 ITS COMPLIANCE WITH THIS SECTION THAT IS REQUIRED BY LAW.

23 (6) AS USED IN THIS SECTION:

24 (A) "PUBLIC BODY" MEANS THIS STATE OR A CITY, VILLAGE,
25 TOWNSHIP, COUNTY, SCHOOL DISTRICT, PUBLIC COLLEGE OR UNIVERSITY,
26 PUBLIC COMMUNITY OR JUNIOR COLLEGE, OR OTHER GOVERNMENTAL
27 DEPARTMENT, GOVERNMENTAL AGENCY, OR POLITICAL SUBDIVISION OF THIS

1 STATE.

2 (B) "STATE SPONSOR OF TERROR" MEANS ANY COUNTRY DETERMINED BY
3 THE UNITED STATES SECRETARY OF STATE TO HAVE REPEATEDLY PROVIDED
4 SUPPORT FOR ACTS OF INTERNATIONAL TERRORISM.

5 Resolved further, That the foregoing amendment shall be
6 submitted to the people of the state at the next general election
7 in the manner provided by law.