

BILL SUMMARY

November 2009

Iran Sanctions Enabling Act of 2009 (H.R. 1327 and S. 1065)

On October 14, the House overwhelmingly passed the Iran Sanctions Enabling Act of 2009 (H.R. 1327) by a vote of 414-6. The legislation authorizes state and local governments to divest from companies investing in Iran's petroleum and natural gas sector and protects fund managers who divest from such companies from potential lawsuits.

Since these companies are already liable for sanctions under U.S. law, states have a fiduciary responsibility to consider the financial consequences of holding stock in them. The law also protects fund managers who divest from such companies from potential lawsuits.

This important piece of legislation aims to deprive Iran of the money it needs to pursue a nuclear weapons capability, ratcheting up pressure on those who are financing Tehran's nuclear pursuits through their investments and support to Iran's petroleum and natural gas industry.

The lead cosponsors of the House bill are Reps. Barney Frank (D-MA) and Mark Kirk (R-IL). The Senate bill was introduced by Sens. Sam Brownback (R-KS) and Robert Casey (D-PA). The legislation has been incorporated as part of the Dodd/Shelby Comprehensive Iran Sanctions, Accountability and Divestment Act (S. 2799).

Key Provisions:

- Authorizes state and local governments to divest the assets of their pension funds and any other funds under their control from companies on the list.
- Protects fund managers who divest from companies from lawsuits directed at them by investors who are unhappy with the results.