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## FISCAL IMPACT REPORT

SPONSOR	<u>Foley</u>	ORIGINAL DATE	<u>2/09/08</u>	HM	<u>66</u>
		LAST UPDATED		SB	
SHORT TITLE	<u>General Electric Stopping Business in Iran</u>			SB	
		ANALYST	<u>Shaya</u>		

### SOURCES OF INFORMATION

LFC Files

### SUMMARY

#### Synopsis of Bill

House Memorial 66 urges that the state investment council be urged to use its position as a major shareholder of public equities in the General Electric Company to object strongly to the General Electric Company's continued investments in Iran, both directly and through subsidiaries. That the state investment council be requested to write directly to the board of directors of the General Electric Company to demand that the company and its subsidiaries immediately halt any contracts, business and investments in Iran and refrain in the future from investing in governments that support terrorism; and that the state investment council consider the financial impact on the state of divesting from the General Electric Company and any other companies that invest in governments that sponsor terrorism; and that a copy of this memorial be transmitted to the state investment council.

### SIGNIFICANT ISSUES

House memorial 66 states that;

- Iran is a state sponsor of terrorism, supplying funds and materials used to wound and kill United States soldiers in Iraq and Afghanistan; and
- A 1980 trade sanction prohibits United States citizens and companies from doing business with Iran; and
- The General Electric company uses an Italian subsidiary to sell Iran more than two hundred seventy million dollars (\$270,000,000) a year in energy and medical equipment; and
- The state of New Mexico, through the state investment council, owns a total of five million three thousand three hundred twenty-five shares of General Electric company stock, representing an investment of two hundred twenty-five million dollars (\$225,000,000), the largest investment the state has in any one company;

RS/mt