HR 1327, the Iran Sanctions Enabling Act of 2009
Section-by-Section

Authorization of Divestment from Iran

Statement of Policy- It is the policy of the United States to support the decision of State governments, local governments, and educational institutions to divest from, and to prohibit the investment of assets they control in, persons that have investments of more than $20,000,000 in Iran's energy sector.

Authorization of Divestment: Patterned after legislation enacted last year to enable divestment from firms investing in certain sectors in Sudan, HR 1327 provides authority to state and local governments to divest their assets from, or prohibit investment of their assets in, any company that invests $20 million or more: (1) in the energy sector in Iran; or (2) in a person that provides oil or liquefied natural gas tankers, or products used to construct or maintain pipelines used to transport oil or liquefied natural gas, for the energy sector in Iran; or (3) is a financial institution that extends $20 million or more in credit to be used for investment in the energy sector in Iran.

Standards for Divestment: In order to ensure reasonable consistency and uniformity, the legislation sets forth specific standards by which state and local governments may divest. The bill requires advance written notice to persons to which the measure is intended to be applied; provides that each person to which the measure would be applied the opportunity to demonstrate that the person does not engage in the investment activities related to Iran’s energy sector, in which case, the measure shall not apply to that person; urges care by State or local governments related to erroneous targeting of divestment; and requires written notice to the Department of Justice within 30 days of enactment of divestment legislation pursuant to this Act.

Safe Harbor for Asset Managers: Amends the Investment Company Act of 1940 to prohibit legal action against asset managers who, based on credible information available to the public, choose to divest assets from, or avoid investing in, persons investing $20 million or more in Iran’s energy sector, or extending credit for such investments in Iran’s energy sector.

ERISA Pension Plan Investments: Expresses the sense of Congress that managers of certain ERISA pension plans may divest plan assets from, or avoid investing in, persons investing directly or indirectly in Iran’s energy sector, without breaching their fiduciary obligations under ERISA -- if their decision is made based on credible publicly available information, and is conducted consistent with current Department of Labor regulations related to economically targeted investments.

Sunset: All provisions in this Act will terminate 30 days after the President determines and certifies to committees of jurisdiction that Iran has ceased its support for terrorism and is no longer designated by the U.S. as a State Sponsor of terrorism, or has ceased the pursuit of nuclear, biological and chemical weapons and the systems necessary to deliver such weapons.

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