

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 223** SLS 17RS 329

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action: **w/ HSE COMM AMD**

Proposed Amd.:

Sub. Bill For.:

| | | |
|--|---------|-----------------------------------|
| Date: June 1, 2017 | 6:32 PM | Author: RISER |
| Dept./Agy.: Treasury | | Analyst: Alan M. Boxberger |
| Subject: Prohibit investing in companies in certain nations | | |

FUNDS/FUNDING

RE1 NO IMPACT See Note

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Prohibits investment fund managers from investing the state's special funds monies in companies and in nations that support terrorism. (7/1/17)

Present law provides that, with respect to various retirement systems, investments are forbidden in prohibited nations. Proposed law adds the state's special funds to be prohibited from investing in companies that directly, or indirectly, support terrorism and specifies the definition of "prohibited nations" for purposes of proposed law. Proposed law provides for definitions. Proposed law details responsibilities of investment fund managers providing services to the state with regard to prohibitions; screening requirements when considering investments; annual certification by report to the treasury; deadlines for reporting; instructions for divesting investments should one such be identified; provides for reporting by the treasurer to certain officials; provides for rulemaking; and provides for prohibiting contracts with any investment fund manager that fails to comply with proposed law.

| EXPENDITURES | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 5 -YEAR TOTAL |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | \$0 |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

| REVENUES | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 5 -YEAR TOTAL |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | \$0 |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

The Louisiana Department of the Treasury reports that the only special fund with current authority to make foreign investments is the Louisiana Education Quality Trust Fund. This authority is limited to index funds in the United States, with no authority to invest directly with foreign securities. The Treasury does not believe that proposed law in its current posture will impact revenues of the state.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

Evan Brasseaux
Staff Director