
The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Martha S. Hess.

SB 223 Original	DIGEST 2020 Regular Session	Peacock
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Present law lists the types of investments in which the treasurer may invest the monies in the Millennium Trust and the La. Education Quality Trust Fund (LEQTF), as follows:

- (1) Time certificates of deposit in La. state banks, national banks having their principal offices in La., savings accounts or shares of savings and loan associations and savings banks, or share accounts and share certificate accounts of federally or state-chartered credit unions.
- (2) Direct obligations of a U.S. government agency, U.S. government instrumentality, or U.S. government-sponsored enterprise, which is fully guaranteed by the full faith and credit of the government of the U.S.A.
- (3) Direct obligations of a U.S. government agency, U.S. government instrumentality, or U.S. government-sponsored enterprise, is fully guaranteed by the issuing entity, but not explicitly guaranteed by the full faith and credit of the government of the U.S.
- (4) Stocks of any corporation listed on the New York Stock Exchange, the American Stock Exchange, the National Association of Securities Dealers Automated Quotations System, or other such stock exchange domiciled in the U.S. and registered with the U.S. Securities and Exchange Commission, provided that the total investment in such stocks at any one time shall not exceed 35% of the market value of all funds held by the treasurer in the Millennium Trust; however, the portion of monies in the Millennium Trust which may be invested in stock may be increased to no more than 50% by a specific legislative instrument which receives a favorable vote of 2/3's of the elected members of each house of the legislature.
- (5)
 - (a) Investment grade commercial paper issued in the U.S., traded in the U.S. States markets, denominated in U.S. dollars, with a short-term rating of at least A-1 by Standard & Poor's Financial Services LLC or P-1 by Moody's Investor Service, Inc. or the equivalent rating by a Nationally Recognized Statistical Rating Organization (NRSRO).
 - (b) Investment grade corporate notes and bonds issued in the U.S., traded in U.S. markets, denominated in U.S. dollars, rated Baa or better by Moody's Investor Service, Inc. or BBB or better by Standard & Poor's Financial Services LLC, and the trades of which are settled through The Depository Trust & Clearing Corporation (DTCC), a national clearinghouse in the United States for the settlement of securities trades.
- (6) Money market funds consisting solely of securities otherwise eligible for investment by

present law.

- (7) Open end mutual funds, closed end mutual funds, and unit investment trusts consisting solely of securities otherwise eligible for investment by the state treasurer.
- (8) Tax exempt bonds and other taxable governmental bonds and in taxable bonds issued by any state or a political subdivision or public corporation of any state, provided that such taxable bonds are rated at the time the investment is made by a nationally recognized rating agency in one of the three highest rating categories of that rating agency.

Proposed law revises present law from listing the authorized investments for monies in the Millennium Trust to authorizing the monies in the Millennium Trust to be invested in the same investments permitted for the LEQTF as provided in present law.

Present law provides for the investment of funds in the Rockefeller Wildlife Refuge Trust and Protection Fund (Rockefeller Fund) and the Russell Sage or Marsh Island Refuge Fund (Russell Sage Fund), as follows:

- (1) Equity investments in stocks, common and preferred, or corporations listed on the New York Stock Exchange, the American Stock Exchange, or quoted on the National Association of Securities Dealers Automated Quotations System, provided that the total investment in such securities at any one time shall not exceed 35% of the market value of all funds held by the fund.
- (2) Direct general obligations unconditionally guaranteed by the U.S.A.
- (3) Bonds, debentures, notes, or other evidences of indebtedness issued by certain agencies of the U.S. government.

Proposed law revises present law from listing the authorized investments for monies in the Rockefeller Fund and the Russell Sage Fund to authorizing the monies in the Rockefeller Fund and the Russell Sage Fund to be invested in the same investments permitted for the LEQTF as provided in present law.

Present law provides that for both the Rockefeller Fund and the Russell Sage Fund, the treasurer may hire, on a contract basis, investment managers or consultants to provide for the equity investments of the Rockefeller Fund. Such contracts shall be on a fee, together with minimum exchange fee, basis or on a commission basis only, with payment for such fees being appropriated from the fund.

Present law regarding investments of the LEQTF provides that any investment managers hired on a contract basis to advise the treasurer regarding such investments shall be selected by the treasurer, subject to the approval of the State Bond Commission, in accordance with a request for proposal process using strict selection criteria based on sound industry principles. The contract, as approved by the State Bond Commission, shall be on a fee, together with minimum exchange fee, basis or on a commission basis only. The state treasurer shall adopt and promulgate rules and regulations for

such investments and for the selection of outside investment managers. Proposed law retains present law.

Present law, regarding the hiring of investment managers for the Millennium Trust is the same as present law concerning the hiring of investment managers for the Millennium Trust.

Effective July 1, 2020.

(Amends R.S. 39:98.2(A), R.S. 56:797(C), and 798(B)(1))