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## DIGEST

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HB 154 Engrossed

2021 Regular Session

Zeringue

**Abstract:** Provides for the maximum amount of monies in certain state funds that may be invested in equities.

Present constitution (Article VII, Section 10.1) creates the La. Education Quality Trust Fund and provides for funding thereof and use of monies in the fund. Provides that monies credited to the La. Education Quality Trust Fund pursuant to present constitution shall be invested by the treasurer.

Present constitution authorizes the treasurer to invest a maximum of 35% of monies in the La. Education Quality Trust Fund in equities.

Present constitution (Article VII, Section 10.8) creates the Millennium Trust and provides for funding thereof and use of the monies in the Trust. Further, ties the treasurer's investment authority for monies in the Millennium Trust to the authority granted for the La. Education Quality Trust Fund.

Proposed constitution increases the maximum amount of La. Education Quality Trust Fund monies that may be invested in equities from 35% to 65%. Otherwise retains present constitution.

Present constitution authorizes the legislature to increase to 50% the maximum amount of monies in the Millennium Trust that may be invested in equities through passage of a specific legislative instrument that receives the favorable vote of two-thirds of the members of each house. Proposed constitution repeals this provision.

Present constitution (Article VII, Section 10.11) creates the Artificial Reef Development Fund and provides for funding thereof and use of the monies in the Fund.

Present constitution authorizes the treasurer to invest monies in the fund. Proposed constitution authorizes a maximum of 65% of monies in the fund to be invested in equities. Otherwise retains present constitution.

Present constitution (Article VII, Section 14) generally prohibits the funds, credit, property, or things of value of the state or its political subdivisions from being loaned, pledged, or donated. Further prohibits the state or any of its political subdivisions from purchasing stock. Further provides exceptions to this general rule.

Present constitution provides an exception (Article VII, Section 14(B)(10)) to authorize funds in the

Rockefeller Wildlife Refuge Trust and Protection Fund (R.S. 56:797) and the Russell Sage or Marsh Island Refuge Fund (R.S. 56:798) to be invested in equities. Proposed constitution additionally authorizes monies in the Lifetime License Endowment Trust Fund (R.S. 56:649) to be invested in equities.

Present constitution prohibits more than 35% of the monies in the Rockefeller and Russell Sage Funds from being invested in stock. Proposed constitution increases this cap from 35% to 65%. Further authorizes a maximum of 65% of monies in the Lifetime License Endowment Trust Fund to be invested in equities. Otherwise retains present constitution.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 8, 2022.

(Amends Article VII, §§10.1(B), 10.8(B), 10.11(D), and 14(B))

#### Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Appropriations to the original bill:

1. Adds the Artificial Reef Development Fund and the Lifetime License Endowment Trust Fund to the list of funds for which the treasurer may invest up to 65% of fund monies in equities.
2. Removes the Millennium Leverage Fund from proposed law.