

2023 Regular Session

HOUSE CONCURRENT RESOLUTION NO. 70

BY REPRESENTATIVE BEAULLIEU

RETIREMENT SYSTEMS: Requests retirement systems and the state treasurer to report on companies that do not invest in certain energy companies

1 A CONCURRENT RESOLUTION

2 To urge and request the state treasurer and the state and statewide retirement systems to
3 report on investment advisors and companies used by the treasurer and the retirement
4 systems respectively that discriminate against the fossil fuel industry through
5 environmental, social, and governance policies; on their investment of funds using
6 nonpecuniary factors; and on the asset allocation of all their investments.

7 WHEREAS, Louisiana ranks third in natural gas production and proved reserves
8 among the states; and

9 WHEREAS, Louisiana accounts for about nine percent of the United States of
10 America's total marketed natural gas production; and

11 WHEREAS, Louisiana's fourteen oil refineries account for nearly one-fifth of the
12 nation's refining capacity and can process about three million barrels of crude oil per day;
13 and

14 WHEREAS, it is the duty of the state treasurer and boards of trustees of Louisiana's
15 state and statewide retirement systems to responsibly and prudently invest money; and

16 WHEREAS, investing the monies of the state and the retirement systems, the
17 treasurer, the boards of trustees, the asset managers, the investment advisors, and all other
18 fiduciaries must comply with the highest standards of loyalty and integrity to their
19 beneficiaries; and

20 WHEREAS, the United States Department of Labor made clear in recent years that
21 fiduciaries responsible for investing should only consider financial factors in evaluating

1 funds for investment potential and that "fiduciaries may not sacrifice investment returns or
2 assume greater investment risks as a means of promoting collateral social policy goals"; and

3 WHEREAS, Louisiana and its state and statewide retirement systems should take
4 their fiduciary responsibilities seriously when investing.

5 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby
6 urge and request the state treasurer and the state and statewide retirement systems to report
7 on investment advisors and companies used by the treasurer and the retirement systems
8 respectively that discriminate against the fossil fuel industry through environmental, social,
9 and governance policies; on their investment of funds using nonpecuniary factors; and on
10 the asset allocation of all their investments.

11 BE IT FURTHER RESOLVED, that the director of each state or statewide retirement
12 system and the state treasurer shall submit a report to the legislature that includes the
13 following:

14 (1) The name of any investment management company, investment advisor, mutual
15 fund, or other entity under contract with the system that uses nonpecuniary or environmental,
16 social, or governance (ESG) scoring factors for investment purposes.

17 (2) The name of any entity under contract that is known to boycott energy
18 companies.

19 (3) The amount of funds invested with each entity identified under item (1) or (2),
20 the date the entity was first hired, and the percentage of the system's portfolio with each such
21 entity, both individually and in the aggregate if more than one is reported.

22 (4) The equity, fixed income, and industry sector investment allocation of all funds.

23 (5) The allocation of all investments in Louisiana, within the United States, and
24 outside the United States.

25 BE IT FURTHER RESOLVED, that the state treasurer and the director of each state
26 or statewide retirement system shall submit the report to the legislature in accordance with
27 R.S. 24:772 no later than October 1, 2023.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HCR 70 Engrossed

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Beaulieu

Requests the state treasurer and the state and statewide retirement systems to report on investment advisors and companies used by the treasurer and the retirement systems respectively that discriminate against the fossil fuel industry through environmental, social, and governance policies; on their investment of funds using nonpecuniary factors; and on the asset allocation of all their investments prior to October 1, 2023.