

2023 Regular Session

HOUSE CONCURRENT RESOLUTION NO. 70

BY REPRESENTATIVES BEAULLIEU, BUTLER, CARRIER, ECHOLS, ILLG,  
MCKNIGHT, THOMPSON, AND WRIGHT

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 state and  
6 pension or defined benefit plan funds using nonpecuniary factors; and on the asset  
7 allocation of all their investments.

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

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

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

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

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

1           WHEREAS, the United States Department of Labor made clear in recent years that  
2 fiduciaries responsible for investing should only consider financial factors in evaluating  
3 funds for investment potential and that "fiduciaries may not sacrifice investment returns or  
4 assume greater investment risks as a means of promoting collateral social policy goals"; and

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

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

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

16           (1) The name of any investment management company, investment advisor, mutual  
17 fund, or other entity under contract with the system that uses nonpecuniary factors for  
18 investment purposes on behalf of the retirement system. "Nonpecuniary" factors include  
19 environmental, social, or governance factors which do not have a material connection to the  
20 risk-adjusted return of an investment.

21           (2) The name of any entity under contract that is known to boycott energy  
22 companies. The list shall also state the aggregate amount that the listed entity has invested  
23 in Louisiana public companies and in oil and gas companies in the United States and  
24 Louisiana. "Boycott" means terminating business activities or engaging in refusals to deal  
25 with an industry in a discriminatory manner.

26           (3) The amount of state and pension or defined benefit plan funds invested with each  
27 entity identified under item (1) or (2), the date the entity was first hired, and the percentage  
28 of the system's portfolio with each such entity, both individually and in the aggregate if more  
29 than one is reported.

1           (4) The equity, fixed income, and industry sector investment allocation of all state  
2 and pension or defined benefit plan funds including the name of the investment manager.

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

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

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#### 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)]

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HCR 70 Reengrossed

2023 Regular Session

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 state and pension plan funds using nonpecuniary factors; and on the asset allocation of all their investments, prior to October 1, 2023.

#### Summary of Amendments Adopted by House

##### The House Floor Amendments to the engrossed bill:

1. Limit funds to be included in reports to state and pension or defined benefit plan funds.
2. Add definitions of "nonpecuniary" and "boycott".
3. Request that reports include the aggregate amount of money an entity has invested in La. public companies and in oil and gas companies in the U.S. and La.