

2023 Regular Session

HOUSE CONCURRENT RESOLUTION NO. 70

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

A CONCURRENT RESOLUTION

To urge and request 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 or defined benefit plan funds using nonpecuniary factors; and on the asset allocation of all their investments.

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

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

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

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

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

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

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

THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby urge and request 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 or defined benefit plan funds using nonpecuniary factors; and on the asset allocation of all their investments.

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

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

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

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

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

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

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

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE