

2024 Regular Session

HOUSE RESOLUTION NO. 267

BY REPRESENTATIVE MELERINE

A RESOLUTION

To urge and request that each state retirement system as defined by R.S. 11:4 submit written reports, no later than sixty days before the beginning of the 2025 and 2026 Regular Session of the Legislature, to the House Committee on Retirement on the results of its proxy voting for the previous calendar year.

WHEREAS, politically based shareholder proposals, especially those involving environmental and social issues, have dramatically increased following the U.S. Securities and Exchange Commission's change in staff guidance on such matters in November 2021; and

WHEREAS, many of the environmental and social shareholder proposals are the work of activist investors that have no interest in the economic performance of the state, its residents, or pension investments; and

WHEREAS, environmental and social shareholder proposals are often in direct conflict with the guidance and direction of the boards of directors of public companies who, under law, are fiduciaries of such public companies and their shareholders; and

WHEREAS, the adoption of these environmental and social proposals will diminish the earning potential of public companies and create new legal and regulatory exposures impacting the value of the state's investments and hurting the people of Louisiana; and

WHEREAS, proxy advisory firms recommend votes in support of environmental and social shareholder proposals that the fiduciaries of the public companies oppose according to a wide variety of public sources and of their own admission; and

WHEREAS, proxy advisory firms are unregulated and claim they are not subject to fiduciary rules, and the two leading proxy advisory firms, ISS and Glass Lewis, are foreign owned, for profit entities; and

WHEREAS, these foreign owned proxy advisory firms, by their proxy voting advice and recommendations, have demonstrated that they pursue legal, regulatory, and business outcomes, including boycotts, that are anathema to this state; and

WHEREAS, transparency in the voting record of our state retirement systems is in the best interest of the people and representatives of the state of Louisiana; and

WHEREAS, written reports from the state retirement systems on proxy voting will help and guide the legislature in making recommendations and adopting potential legislation to address any problems being caused by proxy advisory firms to the detriment of Louisiana's state retirement systems.

THEREFORE, BE IT RESOLVED that the House of Representatives of the Legislature of Louisiana does hereby urge and request that each state retirement system as defined by R.S. 11:4 submit written reports, no later than sixty days before the beginning of the 2025 and 2026 Regular Session of the Legislature, to the House Committee on Retirement on the results of its proxy voting for the previous calendar year.

BE IT FURTHER RESOLVED that each report shall indicate the voting recommendations received from any entity that has entered an agreement with the retirement system to provide proxy voting advice or recommendations and shall specify all votes where a system voted in a manner consistent with the advice or recommendation of the proxy advisor and contrary to the vote recommendation of a public company's board of directors on shareholder proposals included in the company's annual proxy statement.

---

SPEAKER OF THE HOUSE OF REPRESENTATIVES