

2026 Regular Session

HOUSE BILL NO. 830

BY REPRESENTATIVE WRIGHT

CORPORATIONS: Provides for the regulation of proxy advisors

1 AN ACT

2 To enact Chapter 54 of Title 51 of the Louisiana Revised Statutes of 1950, to be comprised
3 of R.S. 51:3111 through 3113, relative to disclosures by proxy advisors; to provide
4 for definitions; to provide for required disclosures; to provide for enforcement; to
5 provide an effective date; to provide for prospective application; and to provide for
6 related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. Chapter 54 of Title 51 of the Louisiana Revised Statutes of 1950,
9 comprised of R.S. 51:3111 through 3113, is hereby enacted to read as follows:

10 CHAPTER 54. PROXY ADVISOR TRANSPARENCY ACT

11 §3111. Definitions

12 As used in this Chapter, the following terms have the following meanings:

13 (1) "Affiliate" means any company that controls, is controlled by, or is under
14 common control with, another company.

15 (2) "Company" means a publicly traded, for-profit corporation, limited
16 liability company, partnership, or other business entity.

17 (3) "Company proposal" means a proposal made by a company to its
18 shareholders that is included in the company's proxy statement, including but not
19 limited to director nominations or elections, or a proposal relating to director

1 nominations or elections, executive compensation, corporate transactions, corporate
2 structure, auditor selection, or company policy on any subject.

3 (4) "Default recommendation or policy" means a system, set of rules,
4 principles, or guidelines designed to assist with voting decisions on any company
5 proposals or proxy proposals.

6 (5)(a) "Proxy advisor" means a person who, for compensation, provides a
7 proxy advisory service to shareholders of a company or to other persons with
8 authority to vote on behalf of shareholders of a company.

9 (b) "Proxy advisor" does not mean any of the following:

10 (i) An affiliate of the company.

11 (ii) A fiduciary or asset manager, or an affiliate of a fiduciary or asset
12 manager, where that fiduciary, asset manager, or affiliate acts pursuant to a
13 delegation of proxy voting authority from its client or beneficiary, and where that
14 delegation is made in connection with the management of client or beneficiary assets
15 and not as a commercial proxy advisory service offered to unaffiliated third parties.

16 (iii) A charitable organization exempt from federal income tax under Section
17 501(c)(3) of the Internal Revenue Code of 1986, or its affiliated groups.

18 (6) "Proxy advisory service" means any of the following services that are
19 provided in connection with or in relation to a company headquartered or
20 incorporated in this state, or are provided to any person in this state:

21 (a) Advice or a recommendation on how to vote on a company proposal or
22 proxy proposal.

23 (b) Proxy statement research and analysis regarding a company proposal or
24 proxy proposal.

25 (c) Development of proxy voting recommendations or policies, including
26 establishing default recommendations or policies.

27 (7) "Proxy proposal" means a proposal made by a shareholder of a company
28 that is included in the company's proxy statement or has been submitted for inclusion

1 in the company's proxy statement, including but not limited to a proposal relating to
2 any subject that could be covered by a company proposal.

3 (8) "Shareholder" includes a shareholder, unitholder, limited partner, or other
4 equity owner of a company.

5 (9) "Written financial analysis" means a written document that does all of
6 the following:

7 (a) Analyzes the expected short-term and long-term financial benefits and
8 costs to the company of implementing a company proposal or proxy proposal.

9 (b) Concludes what vote or course of action is most likely to positively affect
10 shareholder value.

11 (c) Explains the methods and processes used to prepare the analysis,
12 including the experience and geographic location of the personnel who formed the
13 recommendation.

14 §3112. Disclosure of lack of financial analysis to prevent fraud or deceit

15 A. If a proxy advisor makes a recommendation against company
16 management on a company proposal or proxy proposal, or makes a default
17 recommendation or policy involving a vote against company management on a
18 company proposal or a proxy proposal, and the proxy advisor does not do so based
19 on a written financial analysis, the proxy advisor shall do all of the following:

20 (1) Include a clear and conspicuous disclosure to each shareholder, entity,
21 or other person acting on behalf of a shareholder receiving the proxy advisory
22 service, concurrently with providing the proxy advisory service, that does all of the
23 following:

24 (a) Identifies the service being provided.

25 (b) Identifies the recommendation or policy at issue.

26 (c) States that the proxy advisor has made the recommendation or policy
27 without doing so based on a written financial analysis regarding the impact of that
28 recommended action on company investors that does all of the following:

1 (i) Analyzes the expected short-term and long-term financial benefits and
2 costs to the company of implementing the company proposal or proxy proposal.

3 (ii) Concludes what vote or course of action is most likely to positively affect
4 shareholder value.

5 (iii) Explains the methods and processes used to prepare the analysis,
6 including the experience and geographic location of the personnel who formed the
7 recommendation.

8 (2) For a proxy advisory service as defined in Subparagraph (a) or (b) of
9 Paragraph (5) of R.S. 51:3111, concurrently with providing the proxy advisory
10 service, provide the disclosure required by Paragraph (1) of this Subsection to the
11 board of directors of each company that is the subject of the service.

12 (3) While any proxy advisory services described by Paragraph (1) of this
13 Subsection are being provided, publicly and conspicuously disclose on the home or
14 front page of the proxy advisor's website a statement that the advisor's proxy
15 advisory services include one or more services that include a recommendation or
16 policy against company management on a company proposal or a proxy proposal that
17 are not made based on a written financial analysis regarding the impact of that
18 recommended action on company investors that does all of the following:

19 (a) Analyzes the expected short-term and long-term financial benefits and
20 costs to the company of implementing a company proposal or proxy proposal.

21 (b) Concludes what vote or course of action is most likely to positively affect
22 shareholder value.

23 (c) Explains the methods and processes used to prepare the analysis,
24 including the experience and geographic location of the personnel who formed the
25 recommendation.

26 B. If a proxy advisor makes a recommendation against company
27 management on a company proposal or proxy proposal, or makes a default
28 recommendation or policy involving a vote against company management on a

1 company proposal or proxy proposal, and the proxy advisor does so based on a
2 written financial analysis, the proxy advisor shall do all of the following:

3 (1) Concurrently with providing the proxy advisory service, include a clear
4 and conspicuous disclosure to each shareholder, or entity or other person acting on
5 behalf of a shareholder, receiving the proxy advisory service that meets all of the
6 following requirements:

7 (a) Identifies the service being provided.

8 (b) Identifies the recommendation or policy at issue.

9 (c) States that the proxy advisor has made the recommendation or policy
10 based on a written financial analysis that does all of the following:

11 (i) Analyzes the expected short-term and long-term financial benefits and
12 costs to the company of implementing that company proposal or proxy proposal.

13 (ii) Concludes what vote or course of action is most likely to positively affect
14 shareholder value.

15 (iii) Explains the methods and processes used to prepare the analysis,
16 including the experience and geographic location of the personnel who formed the
17 recommendation.

18 (d) The disclosure states that the written financial analysis is available upon
19 request.

20 (2) Make the written financial analysis available within a reasonable time to
21 any recipient of the proxy advisory service upon request.

22 (3) For a proxy advisory service defined in Subparagraph (a) or (b) of R.S.
23 51:3111(5), concurrently with providing the proxy advisory service, provide a copy
24 of the written financial analysis to the board of directors of each company that is the
25 subject of the service.

26 §3113. Enforcement

27 A. A violation of this Chapter is an unfair and deceptive trade practice in
28 accordance with the Unfair Trade Practices and Consumer Protection Law, R.S.
29 51:1401 et seq., and is actionable in accordance with the enforcement provisions of

1 that law. The attorney general may exercise all investigative powers under the Unfair
 2 Trade Practices and Consumer Protection Law if the attorney general has reason to
 3 believe a violation has occurred, is occurring, or is about to occur.

4 B. In addition to enforcement pursuant to Subsection A of this Section, any
 5 person aggrieved by a violation of this Chapter may bring an action seeking a
 6 declaratory judgment or injunctive relief against a proxy advisor who violates this
 7 Chapter. Within seven days of the date on which an action is brought in accordance
 8 with this Subsection, the plaintiff shall provide written notice to the attorney general,
 9 who may intervene in the action. For purposes of this Subsection, an aggrieved
 10 person includes any of the following:

11 (1) A recipient of proxy advisory services provided by the proxy advisor.

12 (2) A company that is the subject of proxy advisory services as defined by
 13 Subparagraph (a) or (b) of R.S. 51:3111(5) provided by the proxy advisor.

14 (3) Any shareholder, unitholder, limited partner, or other equity owner of a
 15 company provided in Paragraph (2) of this Subsection.

16 Section 2. This Act shall become effective on January 1, 2027, and shall apply
 17 prospectively.

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)]

HB 830 Engrossed

2026 Regular Session

Wright

Abstract: Provides for the regulation of proxy advisors.

Proposed law defines "affiliate", "company", "company proposal", "default recommendation or policy", "proxy advisor", "proxy advisory service", "proxy proposal", "shareholder", and "written financial analysis".

Proposed law requires that a proxy advisor making a recommendation or providing a policy against company management on a decision or vote on a company proposal or proxy proposal that is not based on a written financial analysis shall do all of the following:

- (1) Include a clear and conspicuous disclosure to each person or entity receiving the proxy advisory service that identifies the service provided, identifies the recommendation or policy at issue, and states that the proxy advisor's recommendation or policy is not based on a written financial analysis as defined in proposed law.

- (2) For certain proxy advisory services as defined in proposed law, provide that same disclosure to the board of directors of the company that is the subject of the service.
- (3) For certain proxy advisory services as defined in proposed law, publicly and conspicuously disclose on the home page of the proxy advisor's website that the advisor's proxy advisory services include one or more services that include a recommendation or policy against company management on a company proposal or a proxy proposal that are not made based on a written financial analysis regarding the impact of that recommended action on company investors.

Proposed law requires that a proxy advisor making a recommendation or providing a policy against company management on a decision or vote on a company proposal or proxy proposal that is based on a written financial analysis shall do all of the following:

- (1) Include a clear and conspicuous disclosure to each person or entity receiving the proxy advisory service that identifies the service provided, identifies the recommendation or policy at issue, and states that the proxy advisor's recommendation or policy is based on a written financial analysis as defined in proposed law, and that the written financial analysis is available upon request.
- (2) For certain proxy advisory services as defined in proposed law, provide the that written financial analysis to the board of directors of the company that is the subject of the service.

Proposed law provides that a violation of proposed law is an unfair and deceptive trade practice in accordance with the Unfair Trade Practices and Consumer Protection Law.

Proposed law provides that any person aggrieved by a violation of proposed law may bring an action seeking a declaratory judgment or injunction, and that the plaintiff shall provide written notice to the attorney general, who may intervene in that action.

Proposed law provides that a person aggrieved by proposed law includes any of the following:

- (1) A recipient of proxy advisory services provided by the proxy advisor.
- (2) A company that is the subject of proxy advisory services as defined in proposed law provided by the proxy advisor.
- (3) Any shareholder, unitholder, limited partner, or other equity owner of a company covered by select provisions of proposed law.

Effective Jan. 1, 2027

(Adds R.S. 51:3111-3113)

Summary of Amendments Adopted by House

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

1. Make technical changes.
2. Define "affiliate" as any company that controls, is controlled by, or is under common control with, another company.
3. Amend the definition of "proxy advisor" to specify that it does not include an affiliate of the company; a fiduciary or asset manager, or an affiliate of a

fiduciary or asset manager, where that fiduciary, asset manager, or affiliate acts pursuant to a delegation of proxy voting authority from its client or beneficiary in connection with the management of client or beneficiary assets and not as a commercial proxy advisory service offered to unaffiliated third parties; or a charitable organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, or its affiliated groups.