

SENATE BILL NO. 19

BY SENATOR PEACOCK

1 AN ACT

2 To amend and reenact R.S. 39:98.2(A), R.S. 56:797(C), and 798(B)(1), relative to the
3 investments the Treasury Department is authorized to invest the monies in the
4 Millennium Trust, the Rockefeller Wildlife Refuge Trust and Protection Fund, and
5 the Russell Sage or Marsh Island Refuge Fund; to provide for an effective date; and
6 to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 39:98.2(A) is hereby amended and reenacted to read as follows:

9 §98.2. Investment of Millennium Trust

10 A. The treasurer is authorized and directed to invest monies in the
11 Millennium Trust which are available for investment in the **investments permitted**
12 **for the Louisiana Education Quality Trust Fund, also known as the Kevin P.**
13 **Reilly Sr. Louisiana Education Quality Trust Fund, as set forth in R.S.**
14 **17:3803(B), (D), and (E).** following investments:

15 ~~(1) Time certificates of deposit of state banks organized under the laws of~~
16 ~~Louisiana, national banks having their principal offices in the state of Louisiana,~~
17 ~~savings accounts or shares of savings and loan associations and savings banks, as~~
18 ~~defined by R.S. 6:703, or share accounts and share certificate accounts of federally~~
19 ~~or state-chartered credit unions. The funds so invested shall not exceed at any time~~
20 ~~the amount insured by the Federal Savings and Loan Insurance Corporation in any~~
21 ~~one savings and loan association and shall not exceed at any time the amount insured~~
22 ~~by the National Credit Union Administration, or other deposit insurance corporation,~~
23 ~~in any one credit union, unless the uninsured portion is collateralized by the pledge~~
24 ~~of securities in the manner provided by R.S. 49:321.~~

25 ~~(2) Direct obligations of a United States government agency, United States~~
26 ~~government instrumentality, or United States government-sponsored enterprise, the~~

1 ~~timely payment of the principal and interest of which is fully and explicitly~~
2 ~~guaranteed by the full faith and credit of the government of the United States of~~
3 ~~America, and contained in a list promulgated by the state treasurer.~~

4 ~~(3) Direct obligations of a United States government agency, United States~~
5 ~~government instrumentality, or United States government-sponsored enterprise, the~~
6 ~~timely payment of principal and interest of which is fully guaranteed by issuing~~
7 ~~entity, but are not explicitly guaranteed by the full faith and credit of the government~~
8 ~~of the United States, and contained in a list promulgated by the state treasurer.~~

9 ~~(4) Stocks of any corporation listed on the New York Stock Exchange, the~~
10 ~~American Stock Exchange, the National Association of Securities Dealers~~
11 ~~Automated Quotations System, or other such stock exchange domiciled in the United~~
12 ~~States and registered with the United States Securities and Exchange Commission,~~
13 ~~provided that the total investment in such stocks at any one time shall not exceed~~
14 ~~thirty-five percent of the market value of all funds held by the treasurer in the~~
15 ~~Millennium Trust. However, the portion of monies in the Millennium Trust which~~
16 ~~may be invested in stock may be increased to no more than fifty percent by a specific~~
17 ~~legislative instrument which receives a favorable vote of two-thirds of the elected~~
18 ~~members of each house of the legislature.~~

19 ~~(5)(a) Investment grade commercial paper issued in the United States, traded~~
20 ~~in the United States markets, denominated in United States dollars, with a short-term~~
21 ~~rating of at least A-1 by Standard & Poor's Financial Services LLC or P-1 by~~
22 ~~Moody's Investor Service, Inc. or the equivalent rating by a Nationally Recognized~~
23 ~~Statistical Rating Organization (NRSRO).~~

24 ~~(b) Investment grade corporate notes and bonds issued in the United States,~~
25 ~~traded in United States markets, denominated in United States dollars, rated Baa or~~
26 ~~better by Moody's Investor Service, Inc. or BBB or better by Standard & Poor's~~
27 ~~Financial Services LLC, and the trades of which are settled through The Depository~~
28 ~~Trust & Clearing Corporation (DTCC), a national clearinghouse in the United States~~
29 ~~for the settlement of securities trades.~~

30 ~~(6) Money market funds consisting solely of securities otherwise eligible for~~

1 investment by the treasurer pursuant to this Subsection.

2 ~~(7) Open end mutual funds, closed end mutual funds, and unit investment~~
3 ~~trusts consisting solely of securities otherwise eligible for investment by the state~~
4 ~~treasurer.~~

5 ~~(8) Tax exempt bonds, as defined in R.S. 49:342(C), and other taxable~~
6 ~~governmental bonds and in taxable bonds issued by any state or a political~~
7 ~~subdivision or public corporation of any state, provided that such taxable bonds are~~
8 ~~rated at the time the investment is made by a nationally recognized rating agency in~~
9 ~~one of the three highest rating categories of that rating agency.~~

10 ~~(9) Any investment managers hired on a contract basis to advise the treasurer~~
11 ~~regarding such investments shall be selected by the treasurer, subject to the approval~~
12 ~~of the State Bond Commission, in accordance with a request for proposal process~~
13 ~~using strict selection criteria based on sound industry principles. The contract, as~~
14 ~~approved by the State Bond Commission, shall be on a fee, together with minimum~~
15 ~~exchange fee, basis or on a commission basis only. The state treasurer shall adopt~~
16 ~~and promulgate rules and regulations for such investments and for the selection of~~
17 ~~outside investment managers.~~

18 * * *

19 Section 2. R.S. 56:797(C) and 798(B)(1) are hereby amended and reenacted to read
20 as follows:

21 §797. Rockefeller Foundation Wildlife Refuge and Game Preserve; revenues;
22 allocation

23 * * *

24 C. The state treasurer shall invest the principal and the undistributed return
25 on the principal deposited in the ~~said~~ Rockefeller Wildlife Refuge Trust and
26 Protection Fund for the purpose of achieving perpetual financing of ~~said~~ **the** fund.
27 Such investments may include, among others authorized by law, ~~the following:~~
28 **investments permitted for the Louisiana Education Quality Trust Fund, also**
29 **known as the Kevin P. Reilly Sr. Louisiana Education Quality Trust Fund, as**
30 **set forth in R.S. 17:3803(B), (D), and (E).**

1 ~~(1) Equity investments in stocks, common and preferred, or corporations~~
 2 ~~listed on the New York Stock Exchange, the American Stock Exchange, or quoted~~
 3 ~~on the National Association of Securities Dealers Automated Quotations System,~~
 4 ~~provided that the total investment in such securities at any one time shall not exceed~~
 5 ~~thirty-five percent of the market value of all funds held by the fund. The treasurer~~
 6 ~~may hire, on a contract basis, investment managers or consultants as deemed~~
 7 ~~appropriate to provide for the equity investments of the fund. Such contracts shall~~
 8 ~~be on a fee, together with minimum exchange fee, basis or on a commission basis~~
 9 ~~only, with payment for such fees being appropriated from the fund.~~

10 ~~(2) Direct general obligations of, or obligations on which the timely payment~~
 11 ~~of the principal and interest is unconditionally guaranteed by the United States of~~
 12 ~~America.~~

13 ~~(3) Bonds, debentures, notes, or other evidences of indebtedness issued by~~
 14 ~~any of the following agencies of the United States government: Government~~
 15 ~~National Mortgage Association; Rural Development Administration; Export-Import~~
 16 ~~Bank of the United States; Federal National Mortgage Association; Federal Home~~
 17 ~~Loan Mortgage Corporation; Federal Home Loan Bank; and Student Loan Marketing~~
 18 ~~Association.~~

19 ~~(4) Bonds, debentures, notes, or other evidences of indebtedness issued by~~
 20 ~~any of the following agencies of the United States government, or any other like~~
 21 ~~governmental or government-sponsored agencies which are hereafter created,~~
 22 ~~including the Bank of Cooperatives, Federal Financing Bank, Small Business~~
 23 ~~Administration, and Bank for Reconstruction and Development.~~

24 * * *

25 §798. Russell Sage or Marsh Island Refuge

26 A. * * *

27 * * *

28 B. (1) The state treasurer shall invest the principal and the undistributed
 29 return on the principal deposited in ~~said~~ **the** Russell Sage or Marsh Island Refuge
 30 Fund for the purpose of achieving perpetual financing of ~~said~~ **the** trust fund for the

1 purposes for which ~~said~~ **the** trust fund was created, the income from investments to
 2 be added to ~~said~~ **the** trust fund and to become a part thereof for all purposes, except
 3 as provided in Paragraph A(2). Such investments may include, among others
 4 authorized by law, **investments permitted for the Louisiana Education Quality**
 5 **Trust Fund, also known as the Kevin P. Reilly Sr. Louisiana Education Quality**
 6 **Trust Fund, as set forth in R.S. 17:3803(B), (D), and (E).** the following:

7 (a) ~~Equity investments in stocks, common and preferred, of corporations~~
 8 ~~listed on the New York Stock Exchange, the American Stock Exchange, or quoted~~
 9 ~~on the National Association of Securities Dealers Automated Quotations System,~~
 10 ~~provided that the total investment in such securities at any one time shall not exceed~~
 11 ~~thirty-five percent of the market value of all funds held by the fund. The treasurer~~
 12 ~~may hire, on a contract basis, investment managers or consultants as deemed~~
 13 ~~appropriate to provide for the equity investments of the fund. Such contracts shall~~
 14 ~~be on a fee, together with minimum exchange fee, basis or on a commission basis~~
 15 ~~only, with payment for such fees being appropriated from the fund.~~

16 (b) ~~Direct general obligations of or obligations on which the timely payment~~
 17 ~~of the principal and interest is unconditionally guaranteed by the United States of~~
 18 ~~America.~~

19 (c) ~~Bonds, debentures, notes, or other evidences of indebtedness issued by~~
 20 ~~any of the following agencies of the United States government: Government~~
 21 ~~National Mortgage Association; Rural Development Administration; Export-Import~~
 22 ~~Bank of the United States; Federal National Mortgage Association; Federal Home~~
 23 ~~Loan Mortgage Corporation; Federal Home Loan Bank; and Student Loan Marketing~~
 24 ~~Association.~~

25 (d) ~~Bonds, debentures, notes, or other evidences of indebtedness issued by~~
 26 ~~any of the following agencies of the United States government, or any other like~~
 27 ~~governmental or government-sponsored agencies which are hereafter created,~~
 28 ~~including the Bank of Cooperatives, Federal Financing Bank, Small Business~~
 29 ~~Administration, and Bank for Reconstruction and Development.~~

30 * * *

1 Section 3. This Act shall become effective on July 1, 2020. If vetoed by the governor
2 and subsequently approved by the legislature, this Act shall become effective on
3 July 1, 2020.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____