2021 Regular Session

HOUSE BILL NO. 142

## BY REPRESENTATIVE THOMPSON

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana. FUNDS/INVESTMENTS: Provides relative to investment authority of the treasurer

| 1  | AN ACT  |
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| 2  | To amend and reenact R.S. 17:3803(B)(1)(d) and R.S. 39:98.5(B), relative to the maximum |
| 3  | amount of monies in certain state funds that may be invested in equities; to increase   |
| 4  | such investment caps; to provide for effectiveness; and to provide for related matters. |
| 5  | Be it enacted by the Legislature of Louisiana:  |
| 6  | Section 1. R.S. 17:3803(B)(1)(d) is hereby amended and reenacted to read as             |
| 7  | follows:  |
| 8  | §3803. Investment authority; treasurer  |
| 9  | * * *   |
| 10 | B. Grant of authority. (1) The state treasurer is hereby authorized and                 |
| 11 | directed to invest offshore revenues which are deposited into any fund created          |
| 12 | pursuant to the constitution or statutes of the state which are determined by the state |
| 13 | treasurer to be available for investment in the following permitted investments:        |
| 14 | * * *   |
| 15 | (d) Stocks of any corporation listed on the New York Stock Exchange, the                |
| 16 | American Stock Exchange, the National Association of Securities Dealers                 |
| 17 | Automated Quotations System, or other such stock exchange domiciled in the United       |
| 18 | States and registered with the United States Securities and Exchange Commission,        |
| 19 | provided that the total investment in such stocks at any one time shall not exceed      |

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

| 1  | thirty-five sixty-five percent of the market value of all funds held by the treasurer in |
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| 2  | the Kevin P. Reilly, Sr. Louisiana Education Quality Trust Fund.                         |
| 3  | * * *  |
| 4  | Section 2. R.S. 39:98.5(B) is hereby amended and reenacted to read as follows:           |
| 5  | §98.5. Millennium Leverage Fund  |
| 6  | * * *  |
| 7  | B. Investment. Monies deposited in the Leverage Fund shall be invested and               |
| 8  | administered by the treasurer. Notwithstanding any provision of law to the contrary,     |
| 9  | a portion of the monies in the Leverage Fund, not to exceed fifty sixty-five percent,    |
| 10 | may be invested in stock. The legislature shall provide for the procedure for the        |
| 11 | investment of such monies by law. The treasurer shall contract, subject to approval      |
| 12 | of the State Bond Commission, for the management of such investments. The                |
| 13 | monies in the Leverage Fund shall be available for appropriation to pay expenses         |
| 14 | incurred in the investment and management of monies in the fund.                         |
| 15 | * * *  |
| 16 | Section 3. This Act shall take effect and become operative if and when the proposed      |
| 17 | amendment of Article VII of the Constitution of Louisiana contained in the Act which     |
| 18 | originated as House Bill No of this 2021 Regular Session of the Legislature is adopted   |
| 19 | at a statewide election and becomes effective.   |

## 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 142 Original | 2021 Regular Session | Thompson |
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Abstract: Increases to 65% the amount of monies in certain state funds that may be invested in equities.

<u>Present constitution</u> (Art. VII, Sec. 10.1) establishes the La. Education Quality Trust fund (LEQTF) and provides for deposit and use of monies in the fund. Further provides that the legislature shall provide by law for procedures for the investment of LEQTF monies. <u>Present law</u> (R.S. 17:3803) establishes such procedures. Provides that a maximum of 35% of monies in the fund may be invested in stocks. <u>Proposed law</u> increases this maximum to 65% of monies in the fund.

<u>Present constitution</u> (Art. VII, Sec. 10.10) establishes the Millennium Leverage Fund and provides for deposit and use of monies in the Fund. Further provides that the legislature shall provide by law for procedures for the investment of Millennium Leverage Fund monies. <u>Present law</u> (R.S. 39:98.5) establishes such procedures. Provides that a maximum of 50% of monies in the fund may be invested in stocks. <u>Proposed law</u> increases this maximum to 65% of monies in the fund.

Effective if and when the proposed amendment of Article VII of the Constitution of La. contained in the Act which originated as House Bill No. \_\_\_\_\_ of this 2021 R.S. of the Legislature is adopted at a statewide election and becomes effective.

(Amends R.S. 17:3803(B)(1)(d) and R.S. 39:98.5(B))