

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

2 To amend and reenact R.S. 17:3803(B)(1)(d) and R.S. 56:639.8(C) and 650(C)(1), relative
3 to the maximum amount of monies in certain state funds that may be invested in
4 equities; to increase such investment caps; to provide for effectiveness; and to
5 provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 17:3803(B)(1)(d) is hereby amended and reenacted to read as
8 follows:

9 §3803. Investment authority; treasurer

10 * * *

11 B. Grant of authority. (1) The state treasurer is hereby authorized and
12 directed to invest offshore revenues which are deposited into any fund created
13 pursuant to the constitution or statutes of the state which are determined by the state
14 treasurer to be available for investment in the following permitted investments:

15 * * *

16 (d) Stocks of any corporation listed on the New York Stock Exchange, the
17 American Stock Exchange, the National Association of Securities Dealers
18 Automated Quotations System, or other such stock exchange domiciled in the United
19 States and registered with the United States Securities and Exchange Commission,
20 provided that the total investment in such stocks at any one time shall not exceed

1 §650. Lifetime License Endowment Trust Fund

2 * * *

3 C. The state treasurer shall invest the principal and the undistributed return
4 on the principal deposited in the Lifetime License Endowment Trust Fund for the
5 purpose of achieving perpetual financing of said fund. Such investments may
6 include, among others authorized by law the following:

7 (1) Equity investments in stocks, common and preferred, or 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~~ sixty-five percent of the market value of all funds held by the fund. The
12 treasurer may hire, on a contract basis, investment managers or consultants as
13 deemed appropriate to provide for the equity investments of the fund. Such contracts
14 shall be on a fee, together with minimum exchange fee, basis or on a commission
15 basis only, with payment for such fees being appropriated from the fund.

16 * * *

17 Section 3. This Act shall take effect and become operative if and when the proposed
18 amendment of Article VII of the Constitution of Louisiana contained in the Act which
19 originated as House Bill No. 152 of this 2021 Regular Session of the Legislature is adopted
20 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 Engrossed

2021 Regular Session

Thompson

Abstract: Provides for the amount of monies in certain state funds that may be invested in equities.

Present constitution (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. Present law (R.S. 17:3803) establishes such procedures. Provides that a maximum of 35% of monies in the fund may be invested in stocks. Proposed law increases this maximum to 65% of monies in the fund.

Present constitution (Art. VII, Sec. 10.11) establishes the Artificial Reef Development Fund and provides for deposit and use of monies in the Fund. Further provides that the treasurer shall invest the monies in the fund. Present law (R.S. 56:639.8) establishes the requirements for such investment. Proposed law provides for a maximum of 65% of monies in the fund that may be invested in stocks.

Present law (R.S. 56:649) establishes the Lifetime License Endowment Trust Fund and provides for deposit and use of monies in the Fund. Present law provides that a maximum of 35% of monies in the fund may be invested in stocks. Proposed law 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. 152 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. 56:639.8(C) and 650(C)(1))

Summary of Amendments Adopted by House

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

1. Add the Artificial Reef Development Fund and the Lifetime License Endowment Trust Fund to the list of treasury funds for which the treasurer is authorized to invest up to 65% of fund monies in equities.
2. Remove the Millennium Leverage Fund from proposed law.
3. Make technical changes.