

Regular Session, 2014

HOUSE BILL NO. 832

BY REPRESENTATIVE BROADWATER

TREASURER: Provides relative to permissible investment by the state treasurer of offshore revenues deposited into the Louisiana Education Quality Trust Fund

1 AN ACT

2 To enact R.S. 17:3803(B)(1)(k), relative to the investment authority of the state treasurer;
3 to provide relative to the investment of certain monies in the Louisiana Education
4 Quality Trust Fund; to authorize certain permissible investments; to provide for
5 certain limitations; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 17:3803(B)(1)(k) is hereby enacted to read as follows:

8 §3803. Investment authority; treasurer

9 * * *

10 B. Grant of authority

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

15 * * *

16 (k) Open-end mutual funds, closed-end mutual funds, exchange traded funds,
17 and unit investment trusts consisting solely of international securities constructed to
18 match or track the components of a market index provided by globally recognized
19 index providers, including but not limited to MSCI, FTSE, Dow Jones, Standard &
20 Poor's, Barclays, Citigroup, or any of their affiliates or successors and assigns;

1 however, the total investment in any and all such index funds at any one time shall
 2 not exceed ten percent of the market value of all funds held by the treasurer in the
 3 Louisiana Education Quality Trust Fund. Nothing in this Subparagraph shall be
 4 construed to allow the state treasurer to invest directly in the common stock of
 5 foreign companies known to do business with nations that support terrorism.

6 * * *

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)]

Broadwater HB No. 832

Abstract: Expands the permissible investments by the state treasurer of the offshore revenues deposited into the Louisiana Education Quality Trust Fund.

Present law provides for the permitted investments of the Louisiana Education Quality Trust Fund (LEQTF) monies which the state treasurer determines are available for investment.

Proposed law allows the state treasurer to invest LEQTF monies in open-end mutual funds, closed-end mutual funds, exchange traded funds, and unit investment trusts consisting solely of international securities constructed to match or track the components of a market index provided by globally recognized index providers, including but not limited to MSCI, FTSE, Dow Jones, Standard & Poor's, Barclays, Citigroup, or any of their affiliates or successor and assigns. Limits the total investment in any and all such index funds at one time from exceeding 10% of the market value of all funds held by the treasurer in the LEQTF.

(Adds R.S. 17:3803(B)(1)(k))