

Regular Session, 2008

HOUSE BILL NO. 231

BY REPRESENTATIVES DOERGE, ARNOLD, MONTOUCET, AND POPE AND
SENATORS B. GAUTREAUX AND HEBERT

1 AN ACT

2 To amend and reenact R.S. 11:314(A)(introductory paragraph), 315(A)(introductory
3 paragraph), and 2261(A), relative to the Firefighters' Retirement System; to provide
4 with respect to the management of system funds; to exempt the system from the
5 requirement of constructively engaging certain companies with facilities or
6 employees or both in prohibited nations; to provide an effective date; and to provide
7 for related matters.

8 Notice of intention to introduce this Act has been published
9 as provided by Article X, Section 29(C) of the Constitution
10 of Louisiana.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 11:314(A)(introductory paragraph), 315(A)(introductory paragraph),
13 and 2261(A) are hereby amended and reenacted to read as follows:

14 §314. Constructive engagement; direct ownership of securities

15 A. ~~Each~~ Except as provided in R.S. 11:2261(A), each system, plan, or fund,
16 referred to in this Section as "system", to which this Subpart applies shall adopt and
17 implement a corporate governance strategy of constructive engagement of each
18 company; in which the system has a direct ownership of securities; ~~having and which~~
19 has facilities or employees or both located in a prohibited nation. Such corporate
20 governance strategy of constructive engagement shall contain a plan of system action
21 to cause any such company to remove facilities, employees, or both from any
22 prohibited nation. Such plan of system action shall be implemented by not later than
23 one hundred twenty days after August 15, 2007. The system shall continue to
24 implement such plan of system action with respect to a particular company for the

1 period of time that the system continues to possess an ownership interest in the
 2 company. As part of each system's corporate governance strategy of constructive
 3 engagement, the system shall make its best efforts to identify all such companies.
 4 Such efforts shall include all of the following:

5 * * *

6 §315. Constructive engagement; securities held in a collective fund

7 A. ~~Each~~ Except as provided in R.S. 11:2261(A), each system, plan, or fund,
 8 referred to in this Section as "system", to which this Subpart applies shall adopt and
 9 implement a corporate governance strategy of constructive engagement of any
 10 collective fund investment manager or advisor, requesting such manager or advisor
 11 to constructively engage each company, ~~having~~ which has facilities or employees or
 12 both located in a prohibited nation; and in which the system possesses an indirect
 13 ownership interest through investment in any such collective fund, excluding private
 14 equities and hedge funds. Such corporate governance strategy of constructive
 15 engagement shall contain a plan of system action to cause any such collective fund
 16 to in turn cause any such company to remove facilities, employees, or both from any
 17 prohibited nation. Such plan of system action shall be implemented by not later than
 18 one hundred twenty days after August 15, 2007. The system shall continue to
 19 implement such plan of system action with respect to a particular collective fund for
 20 the period of time that the system continues to possess an indirect ownership interest
 21 in the company through the collective fund investment. As part of each system's
 22 corporate governance strategy of constructive engagement, the system shall make its
 23 best efforts to identify all such companies. Such efforts shall include:

24 * * *

25 §2261. Management of funds

26 A. The board of trustees shall be the trustees of the several funds created by
 27 this Chapter as provided in R.S. 11:2262 and shall have full power to invest and
 28 reinvest such funds in accordance with the provisions of R.S. 11:261 et seq. The
 29 provisions of R.S. 11:314 and 315 shall not apply to this system. The trustees shall
 30 have full power to hold, purchase, sell, assign, transfer, and dispose of any of the

1 securities and investments in which any of the funds created herein have been
 2 invested as well as the proceeds of the investments and monies belonging to the
 3 funds. The expenses associated with the investment and administration of fund
 4 assets shall be charged against investment income and shall not be charged to the
 5 expense account.

* * *

7 Section 2. This Act shall become effective upon signature by the governor or, if not
 8 signed by the governor, upon expiration of the time for bills to become law without signature
 9 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 10 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 11 effective on the day following such approval.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____