

SECOND REGULAR SESSION

# HOUSE BILL NO. 2357

## 95TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES SMITH (150) (Sponsor), TILLEY, BROWN (149), DAY, SCHOELLER, BROWN (30), KOENIG, WILSON (130), SCHARNHORST, LARGENT, LAIR, WRIGHT, AYRES, EMERY, FISHER (125), DUSENBERG, PARSON, NOLTE, WILSON (119), THOMSON, LEARA, GRISAMORE, DUGGER, SATER, FUNDERBURK, MOLENDORP, POLLOCK, McGHEE, FLANIGAN, GATSCHENBERGER, NANCE, LOEHNER, JONES (117), NIEVES, DIXON, ICET, ZERR, GUERNSEY, KEENEY, VIEBROCK, RUZICKA, WELLS, RUESTMAN, BURLISON AND JONES (89) (Co-sponsors).

5181L.011

D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

To amend chapter 105, RSMo, by adding thereto one new section relating to public retirement plans.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Chapter 105, RSMo, is amended by adding thereto one new section, to be known as section 105.676, to read as follows:

**105.676. 1. As used in this section, the following terms mean:**

- (1) **"Business ties"**, owning or controlling property or assets located in, having employees or facilities located in, providing goods or services to, obtaining goods or services from, having distribution agreements with, issuance of credit or loans to, purchasing bonds or commercial paper issued by, investing in or having equity ties to or with Iran, Sudan, North Korea, or Syria or any company domiciled in Iran, Sudan, North Korea, or Syria or their affiliates thereof;
- (2) **"Company"**, any entity capable of affecting commerce, including but not limited to a government, government agency, natural person, legal person, sole proprietorship, partnership, firm, corporation, subsidiary, affiliate, franchisor, franchisee, joint venture, trade association, financial institution, utility, public franchise, provider of financial services, trust, or enterprise or any association thereof;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

13           (3) "Independent research provider", a private United States company that has  
14 submitted an affidavit to the state treasurer averring that:

15           (a) It specializes in identifying and assessing companies that are exposed to global  
16 security risk;

17           (b) It offers credible research on corporate ties to Iran, North Korea, Sudan, or  
18 Syria that has been maintained and provided to the market for a minimum of two calendar  
19 years; and

20           (c) It does not have the potential for conflicts of interest stemming from investment  
21 banking and corporate finance activities;

22           (4) "Iran", the Islamic Republic of Iran;

23           (5) "North Korea", the Democratic People's Republic of Korea;

24           (6) "Sudan", the Islamic Republic of Sudan;

25           (7) "Syria", the Syrian Arab Republic.

26           2. Notwithstanding any provision of law to the contrary, any asset manager that  
27 invests in international equities of publicly-traded foreign companies on behalf of the plan  
28 shall attest semiannually in a written statement to the board that they do not hold on behalf  
29 of the plan the stock of any foreign company that, according to a reputable independent  
30 research provider specializing in global security risk assessment, has active business ties  
31 to Iran, North Korea, Sudan, and Syria that are nonhumanitarian in nature. The  
32 provisions of this section shall expire with respect to each individual country, irrespective  
33 of the countries that still remain prohibited, at such time that the President of the United  
34 States affirmatively and unambiguously states by means of, but not limited to, enacted  
35 legislation, executive order, or written certification from the President to the United States  
36 Congress that the United States Department of State no longer recognizes Iran, North  
37 Korea, Sudan, or Syria as state sponsors of terrorism.

38           3. Notwithstanding any law to the contrary, the plan and the board shall be exempt  
39 from any conflicting statutory obligations, including any such obligations with respect to  
40 choice of asset managers, investment funds, or investments for the plan's securities  
41 portfolios with respect to actions taken in compliance with this section, including all good  
42 faith determinations regarding companies as required by this section.

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