

SECOND REGULAR SESSION

HOUSE BILL NO. 2459

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE JUSTUS.

6075H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

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

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
2 known as section 105.676, to read as follows:

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

2 **(1) "Business ties", owning or controlling property or assets located in, having**
3 **employees or facilities located in, providing goods or services to, obtaining goods or**
4 **services from, having distribution agreements with, issuance of credit or loans to,**
5 **purchasing bonds or commercial paper issued by, investing in or having equity ties to or**
6 **with any country or any company domiciled in a country or its affiliates thereof;**

7 **(2) "Company", any entity capable of affecting commerce including, but not**
8 **limited to, a government, government agency, natural person, legal person, sole**
9 **proprietorship, partnership, firm, corporation, subsidiary, affiliate, franchisor, franchisee,**
10 **joint venture, trade association, financial institution, utility, public franchise, provider of**
11 **financial services, trust, or enterprise or any association thereof;**

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

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

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.

16 **(b) It offers credible research on corporate ties to any country designated by the**
17 **United States Department of State as a state sponsor of terrorism that has been maintained**
18 **and provided to the market for a minimum of two calendar years; and**

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

21 **(4) "Plan", any public retirement plan of this state or a political subdivision**
22 **thereof;**

23 **(5) "State sponsor of terrorism", any country designated by the United States**
24 **Department of State as a state sponsor of terrorism.**

25 **2. Notwithstanding any provision of law to the contrary, any asset manager that**
26 **invests in international equities of publicly-traded foreign companies on behalf of the plan**
27 **shall attest semiannually in a written statement to the board that the plan does not hold the**
28 **stock of any foreign company that, according to a reputable independent research provider**
29 **specializing in global security risk assessment, has active business ties to any state sponsor**
30 **of terrorism that are nonhumanitarian in nature.**

31 **3. Any plan that holds stock of a foreign company that has nonhumanitarian active**
32 **business ties to a state sponsor of terrorism at the time this statute takes effect shall sell**
33 **such stock. If a plan has held such stock for at least one year and the sale of such stock**
34 **would cause the plan to experience a loss of at least five percent, the plan shall be allowed**
35 **to hold the stock until a time when the sale of such stock would not cause the plan to**
36 **experience a loss greater than five percent.**

37 **4. The provisions of this section shall expire with respect to each individual**
38 **country, irrespective of the countries that still remain prohibited, at such time that the**
39 **President of the United States affirmatively and unambiguously states by means of, but not**
40 **limited to, enacted legislation, executive order, or written certification from the President**
41 **to the United States Congress that the United States Department of State no longer**
42 **recognizes certain countries as state sponsors of terrorism.**

43 **5. Notwithstanding any law**
44 **to the contrary, the plan and the board shall be exempt from any conflicting statutory**
45 **obligations, including any such obligations with respect to choice of asset managers,**
46 **investment funds, or investments for the plan's securities portfolios with respect to actions**
47 **taken in compliance with this section, including all good faith determinations regarding**
48 **companies as required by this section.**

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