

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2156

(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Title 35, chapter 2, article 2, Arizona Revised
3 Statutes, is amended by adding section 35-320, to read:

4 35-320. State investments; investment managers; list; posting

5 A. THE STATE TREASURER SHALL POST A CURRENT LIST OF ITS INVESTMENTS
6 BY NAME ON THE STATE TREASURER'S PUBLICLY ACCESSIBLE WEBSITE. THE STATE
7 TREASURER SHALL UPDATE ANY CHANGES TO THE LIST WITHIN A REASONABLE PERIOD
8 OF TIME.

9 B. THE STATE TREASURER SHALL POST THE CURRENT LIST OF ITS INVESTMENT
10 MANAGERS ON THE STATE TREASURER'S PUBLICLY ACCESSIBLE WEBSITE AND SHALL
11 UPDATE ANY CHANGES TO THE LIST WITHIN A REASONABLE PERIOD OF TIME.

12 C. ALL STATE INVESTMENTS MADE BY THE STATE TREASURER SHALL BE MADE
13 IN THE SOLE INTEREST OF THE BENEFICIARY TAXPAYER. THE STATE TREASURER'S
14 EVALUATION OF AN INVESTMENT MUST BE BASED ON PECUNIARY FACTORS AS
15 PRESCRIBED IN ARTICLE 4 OF THIS TITLE.

1 Sec. 2. Title 35, chapter 2, Arizona Revised Statutes, is amended by
2 adding article 4, to read:

3 ARTICLE 4. GOVERNMENT INVESTMENTS PROTECTION

4 35-351. Definitions

5 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

6 1. "PECUNIARY FACTOR" MEANS A FACTOR THAT HAS A MATERIAL EFFECT ON
7 THE FINANCIAL RISK OR THE FINANCIAL RETURN OF AN INVESTMENT BASED ON
8 APPROPRIATE INVESTMENT HORIZONS CONSISTENT WITH A PLAN'S INVESTMENT
9 OBJECTIVES AND FUNDING POLICY.

10 2. "PLAN" MEANS ANY PLAN, FUND OR PROGRAM THAT IS ESTABLISHED OR
11 MAINTAINED BY THIS STATE OR A POLITICAL SUBDIVISION OF THIS STATE,
12 INCLUDING A UNIVERSITY UNDER THE JURISDICTION OF THE ARIZONA BOARD OF
13 REGENTS AND A COMMUNITY COLLEGE DISTRICT AS DEFINED IN SECTION 15-1401, TO
14 DO ANY OF THE FOLLOWING:

15 (a) PROVIDE RETIREMENT INCOME OR OTHER RETIREMENT BENEFITS TO
16 EMPLOYEES OR FORMER EMPLOYEES.

17 (b) DEFER INCOME BY EMPLOYEES FOR A PERIOD OF TIME EXTENDING TO THE
18 TERMINATION OF COVERED EMPLOYMENT OR BEYOND.

19 (c) INVEST TAXPAYER MONIES FOR ANY PURPOSE.

20 35-352. Plans; voting of ownership interests

21 A. A GOVERNMENTAL ENTITY THAT ESTABLISHES OR MAINTAINS A PLAN MUST
22 MAKE ALL DIRECT INVESTMENT DECISIONS BASED SOLELY ON PECUNIARY FACTORS WHEN
23 EVALUATING AN INVESTMENT.

1 B. A GOVERNMENTAL ENTITY THAT ESTABLISHES OR MAINTAINS A PLAN MUST
2 VOTE ALL DIRECTLY HELD SHARES, OR HAVE THE GOVERNMENTAL ENTITY'S DIRECTLY
3 HELD SHARES VOTED, BASED SOLELY ON PECUNIARY FACTORS WHEN VOTING PROXIES.

4 C. IF A GOVERNMENTAL ENTITY THAT ESTABLISHES OR MAINTAINS A PLAN HAS
5 INDIRECT INVESTMENTS OR COMMINGLED INVESTMENTS, THE GOVERNMENTAL ENTITY
6 MUST NOTIFY THE GENERAL PARTNER OR INVESTMENT MANAGER THAT IN ALL CASES
7 WHERE THE GOVERNMENTAL ENTITY HAS THE OPTION, THE GENERAL PARTNER OR
8 INVESTMENT MANAGER MUST:

9 1. MAKE INVESTMENT DECISIONS BASED SOLELY ON PECUNIARY FACTORS WHEN
10 EVALUATING AN INVESTMENT.

11 2. PROPORTIONALLY VOTE DIRECTLY HELD SHARES, OR HAVE THE
12 GOVERNMENTAL ENTITY'S DIRECTLY HELD SHARES PROPORTIONALLY VOTED, BASED
13 SOLELY ON PECUNIARY FACTORS."

14 Amend title to conform

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