

2024 Regular Session

HOUSE RESOLUTION NO. 267

BY REPRESENTATIVE MELERINE

RETIREMENT SYSTEMS: Requests state retirement systems to submit reports regarding procedures for proxy voting

1 A RESOLUTION

2 To urge and request that each state retirement system as defined by R.S. 11:4 submit written
3 reports, no later than sixty days before the beginning of the 2025 and 2026 Regular
4 Session of the Legislature, to the House Committee on Retirement on the results of
5 its proxy voting for the previous calendar year.

6 WHEREAS, politically based shareholder proposals, especially those involving
7 environmental and social issues, have dramatically increased following the U.S. Securities
8 and Exchange Commission's change in staff guidance on such matters in November 2021;
9 and

10 WHEREAS, many of the environmental and social shareholder proposals are the
11 work of activist investors that have no interest in the economic performance of the state, its
12 residents, or pension investments; and

13 WHEREAS, environmental and social shareholder proposals are often in direct
14 conflict with the guidance and direction of the boards of directors of public companies who,
15 under law, are fiduciaries of such public companies and their shareholders; and

16 WHEREAS, the adoption of these environmental and social proposals will diminish
17 the earning potential of public companies and create new legal and regulatory exposures
18 impacting the value of the state's investments and hurting the people of Louisiana; and

19 WHEREAS, proxy advisory firms recommend votes in support of environmental and
20 social shareholder proposals that the fiduciaries of the public companies oppose according
21 to a wide variety of public sources and of their own admission; and

1 WHEREAS, proxy advisory firms are unregulated and claim they are not subject to
2 fiduciary rules, and the two leading proxy advisory firms, ISS and Glass Lewis, are foreign
3 owned, for profit entities; and

4 WHEREAS, these foreign owned proxy advisory firms, by their proxy voting advice
5 and recommendations, have demonstrated that they pursue legal, regulatory, and business
6 outcomes, including boycotts, that are anathema to this state; and

7 WHEREAS, transparency in the voting record of our state retirement systems is in
8 the best interest of the people and representatives of the state of Louisiana; and

9 WHEREAS, written reports from the state retirement systems on proxy voting will
10 help and guide the legislature in making recommendations and adopting potential legislation
11 to address any problems being caused by proxy advisory firms to the detriment of
12 Louisiana's state retirement systems.

13 THEREFORE, BE IT RESOLVED that the House of Representatives of the
14 Legislature of Louisiana does hereby urge and request that each state retirement system as
15 defined by R.S. 11:4 submit written reports, no later than sixty days before the beginning of
16 the 2025 and 2026 Regular Session of the Legislature, to the House Committee on
17 Retirement on the results of its proxy voting for the previous calendar year.

18 BE IT FURTHER RESOLVED that each report shall indicate the voting
19 recommendations received from any entity that has entered an agreement with the retirement
20 system to provide proxy voting advice or recommendations and shall specify all votes where
21 a system voted in a manner consistent with the advice or recommendation of the proxy
22 advisor and contrary to the vote recommendation of a public company's board of directors
23 on shareholder proposals included in the company's annual proxy statement.

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)]

HR 267 Original

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