

BILL SUMMARY
1st Session of the 59th Legislature

Bill No.:	HB2547
Version:	CS
Request Number:	7709
Author:	Rep. O'Donnell
Date:	3/13/2023
Impact:	\$0

Research Analysis

The committee substitute for HB2547 requires all investment decisions by or on behalf of a governmental entity to be determined solely on pecuniary factors. Governmental entities, including public retirement systems, may not grant proxy voting authority to a third-party fiduciary unless no other economically alternative is available and that person has a practice of and signs a written commitment to act solely upon pecuniary factors. Every proxy vote taken by a designated fiduciary must be tabulated and reported annually to the State Treasurer and posted on the Treasurer's website. The measure also prohibits governmental entity from relying on voting guidance from a company that is classified as a restricted financial institution by the State Treasurer.

Prepared By: Quyen Do

Fiscal Analysis

HB 2547 introduces guidelines for governmental entities and any contracted proxy organizations to make decisions and vote solely in the pecuniary interest of investment portfolios and public retirement system assets. This measure also restricts proxy voting authority and requires proxy votes to be reported to the State Treasurer. This measure would have no direct fiscal or revenue considerations for the state.

Prepared By: Jay St Clair, House Fiscal Staff

Other Considerations

None.