

HOUSE BILL No. 6201

November 8, 1990, Introduced by Rep. Perry Bullard and referred to the Committee on Senior Citizens and Retirement.

A bill to amend Act No. 314 of the Public Acts of 1965, entitled as amended

"An act to authorize the investment of assets of public employee retirement systems or plans created and established by the state or any political subdivision; to provide for the payment of certain costs and investment expenses; to authorize investment in variable rate interest loans; to define and limit the investments which may be made by an investment fiduciary with the assets of a public employee retirement system; and to prescribe the powers and duties of investment fiduciaries and certain state departments and officers,"

as amended, being sections 38.1132 to 38.1140i of the Michigan Compiled Laws, by adding section 13d.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 314 of the Public Acts of 1965, as
2 amended, being sections 38.1132 to 38.1140i of the Michigan
3 Compiled Laws, is amended by adding section 13d to read as
4 follows:

1 SEC. 13D. (1) NOTWITHSTANDING ANY OTHER PROVISION OF THIS
2 ACT, AN INVESTMENT FIDUCIARY SHALL NOT MAKE A NEW INVESTMENT OF
3 SYSTEM ASSETS IN STOCKS, SECURITIES, OR OTHER OBLIGATIONS OF A
4 TOBACCO COMPANY. AN INVESTMENT FIDUCIARY SHALL DIVEST SYSTEM
5 ASSETS IN STOCKS, SECURITIES, OR OTHER OBLIGATIONS OF A TOBACCO
6 COMPANY AS FOLLOWS:

7 (A) NOT LESS THAN 33% OF THE SYSTEM ASSETS INVESTED IN
8 STOCKS, SECURITIES, OR OTHER OBLIGATIONS OF A TOBACCO COMPANY ON
9 THE EFFECTIVE DATE OF THIS SECTION SHALL BE DIVESTED NOT LATER
10 THAN 1 YEAR AFTER THE EFFECTIVE DATE OF THIS SECTION.

11 (B) NOT LESS THAN 50% OF THE SYSTEM ASSETS INVESTED IN
12 STOCK, SECURITIES, OR OTHER OBLIGATIONS OF A TOBACCO COMPANY 1
13 YEAR AFTER THE EFFECTIVE DATE OF THIS SECTION SHALL BE DIVESTED
14 NOT LATER THAN 2 YEARS AFTER THE EFFECTIVE DATE OF THIS SECTION.

15 (C) ALL OF THE SYSTEM ASSETS INVESTED IN STOCK, SECURITIES,
16 OR OTHER OBLIGATIONS OF A TOBACCO COMPANY 2 YEARS AFTER THE
17 EFFECTIVE DATE OF THIS SECTION SHALL BE DIVESTED NOT LATER THAN 3
18 YEARS AFTER THE EFFECTIVE DATE OF THIS SECTION.

19 (2) AS USED IN THIS SECTION:

20 (A) "INVESTMENT FIDUCIARY" MEANS A PERSON WHO EXERCISES ANY
21 DISCRETIONARY AUTHORITY OR CONTROL IN THE INVESTMENT OF A
22 SYSTEM'S ASSETS.

23 (B) "TOBACCO COMPANY" MEANS A COMPANY WHOSE DIVIDENDS ARE
24 DERIVED, IN PART OR IN WHOLE, FROM THE SALE OF TOBACCO PRODUCTS.