

HOUSE BILL No. 4673

April 23, 1997, Introduced by Reps. Alley and Willard and referred to the Committee on Public Retirement.

A bill to amend 1965 PA 314, entitled

"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,"

(MCL 38.1132 to 38.1140i) by adding section 13b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

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

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

13 (2) AS USED IN THIS SECTION, "TOBACCO COMPANY" MEANS A COM-
14 PANY WHOSE DIVIDENDS ARE DERIVED, IN PART OR IN WHOLE, FROM THE
15 SALE OF TOBACCO PRODUCTS.