

**MINUTES OF THE
HOUSE RETIREMENT AND INDEPENDENT ENTITIES STANDING COMMITTEE
Room 30, House Building, State Capitol Complex
March 3, 2010**

Members Present: Rep. Don Ipson, Chair
Rep. Stephen Sandstrom, Vice Chair
Rep. Brad Daw
Rep. Susan Duckworth
Rep. Neil Hansen
Rep. Wayne Harper
Rep. Merlynn T. Newbold
Rep. Christine Watkins

Members Absent: Rep. Brad Last

Staff Present: Benjamin N. Christensen, Policy Analyst
Becky Lawyer, Kathy Sorg, Committee Secretary

Note: A list of visitors and a copy of handouts are filed with the committee minutes.

Rep. Sandstrom called the meeting to order at 12:22 p.m.

MOTION: Rep. Duckworth moved to approve the minutes of Wednesday, February 24, 2010. Rep. Hansen pointed out an omitted motion to table S.B. 63S2. Rep. Duckworth amended her motion to approve the minutes with the correction. The vote to approve the minutes as amended was unanimous with Rep. Harper and Rep. Newbold absent for the vote.

H.B. 286 Retirement System Divestment (*Rep. Julie Fisher*)

Rep. Fisher introduced and explained the bill to the committee.

MOTION: Rep. Ipson moved to approve 1st Sub H. B. 286. The motion passed unanimously with Rep. Newbold absent for the vote.

MOTION: Rep. Ipson moved to approve 1st Sub H. B. 286 as follows:

1. Page 1, Lines 16 through 19:

16 ▶ requires the Retirement Office to prevent the investment of public funds in a
17 scrutinized company by adjusting future investment practices within the office and
18 by stipulating in future investment management contracts, that no new investments
19 may be made into direct holdings in a scrutinized company; and

2. *Page 3, Lines 70 through 76:*

70 (b) The office shall assemble a list of all identified scrutinized companies under
71 Subsection (2)(a) .

72 (c) The office shall update the list, on an annual basis, with information provided and
73 received from those entities listed in Subsection (2)(a).

74 (3) The office shall prepare an annual report of public fund investments into direct
75 holdings in scrutinized
76 companies.

77 (4) The report shall include amounts and other data and statistics designed to explain
78 the past and current extent to which public fund investments into direct holdings in
79 scrutinized companies;

3. *Page 3, Line 82 through Page 4, Line 90:*

82 (6) Beginning, July 1, 2010, using the most current list assembled under Subsection
83 (2), the office shall prevent the investment of public funds into direct holdings in a
84 scrutinized company:

85 (a) for public funds managed within the office, by not investing in direct
86 holdings in a scrutinized
87 company; and

88 (b) for public funds managed by contract by a professional investment manager:

89 (i) for existing contracts, by requesting that no more investments be made into
90 direct holdings in a
91 scrutinized company; and

92 (ii) for future contracts, by stipulating in the contract that no new investments may be
93 made into direct holdings in a scrutinized company.

The motion passed unanimously with Rep. Newbold absent for the vote.

Rep. Fisher explained the substitute and amendment to the committee.

Spoke for the bill: Greg Smith, BYU student
Bill Becker, Park City resident
Ron Sevier, Salt Lake City resident
Laura Green, Sandy City resident
Taylor Frank, BYU student

Spoke against the bill: Dan Anderson, Counsel to Utah Retirement Systems

MOTION: Rep. Daw moved to recommend 1st Sub H. B. 286 favorably as amended.

SUBSTITUTE MOTION: Rep. Watkins moved to adjourn. The motion failed with Rep. Duckworth, Rep. Hansen, and Rep. Watkins voting in favor.

The original motion to recommend 1st Sub H. B. 286 favorably as amended passed with Rep. Hansen voting in opposition, and Rep. Duckworth and Rep. Watkins absent for the vote.

MOTION: Rep. Daw moved to adjourn. The motion passed unanimously with Rep. Duckworth and Rep. Watkins absent for the vote.

Rep. Sandstrom adjourned the meeting at 1:03 p.m.

Rep. Don Ipson, Chair