



# UTAH STATE SENATE

UTAH STATE CAPITOL COMPLEX • 320 STATE CAPITOL  
P.O. BOX 145115 • SALT LAKE CITY, UTAH 84114-5115 • (801) 538-1035

February 14, 2011

Mr. President:

The Retirement and Independent Entities Committee reports a favorable recommendation on **S.B. 112**, RETIREMENT SYSTEM DIVESTMENT, by Senator C. Bramble, with the following amendments:

1. *Page 1, Lines 13 through 20:*

- 13 This bill: =
- ▶ modifies the definition of direct holdings to exclude holdings that are part of a passive indexing investment strategy;
- 14 ▶ requires the Utah State Retirement Office to include data designed to explain the
- 15 extent to which public fund investments in scrutinized companies are being
- 16 prevented;
- 17 ▶ requires the Utah State Retirement Office to prevent the {~~investment of~~
- ~~public funds~~} acquisition of direct holdings
- 18 in a scrutinized company by adjusting future investment practices within the office
- 19 and by stipulating in future investment management contracts that no new
- 20 {~~investments may be made~~} direct holdings be acquired in a scrutinized
- company; and

2. *Page 2, Lines 47 through 49:*

- 47 (d) (i) "Direct holdings" means all publicly traded equity securities of a company
- 48 that are
- 49 held directly by the public fund or in an account or fund in which the public fund owns all
- 49 shares or interests. =

Bill Number



SB0112

Action Class



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(ii) "Direct holdings" does not include publicly traded equity securities of a company held as part of a passive indexing investment strategy.

3. Page 3, Line 83 through Page 4, Line 91:

- 83           (6) Beginning July 1, 2011, using the most current list assembled under Subsection  
84           (2),  
85           the office shall prevent the investment of public funds direct holdings in a scrutinized  
86           company:  
87           (a) for public funds managed within the office, by not investing in direct holdings  
88           in a scrutinized  
89           company; and  
90           (b) for public funds managed by contract by a professional investment manager:  
91           (i) for existing contracts, by requesting that no more { investments be  
                  made} direct holdings be acquired in a  
                  scrutinized company; and  
                  (ii) for future contracts, by stipulating in the contract that no new { investments  
                  may be  
                  made} direct holdings be acquired in a scrutinized company.

Respectfully,

Daniel R. Liljenquist  
Committee Chair

Voting: 6-0-0

3 SB0112.SCI.WPD /BNC CJD/MDA 2/14/11 4:37 pm

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