

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute No. 2 for Senate Substitute for Senate Committee Substitute
2 for Senate Bill No. 835, Page 2, Section A, Line 25, by inserting after all of said section and line the
3 following:

4
5 1.2020. 1. This section shall be known and may be cited as the "Foreign Adversary
6 Divestment Act".

7 2. As used in this section, the following terms shall mean:

8 (1) "Official government capacity", any role, elected or appointed, in a government or its
9 subsidiaries;

10 (2) "Prohibited company", a company appearing on the sanctions list of the Office of
11 Foreign Assets Control of the U. S. Department of Treasury;

12 (3) "State-managed fund", any short- or long-term investment structure that is state
13 managed, state run, state controlled, or otherwise overseen by the state of Missouri, a state agency,
14 or any political subdivision of this state, including any agency controlled by such political
15 subdivision, over or in which the state or political subdivision has primary discretion or vested
16 interest. "State-managed fund" shall include, but not be limited to public pension funds, public
17 retirement funds, or other state-sponsored funds that are sponsored, maintained, or contributed to or
18 required to be contributed to by the state of Missouri or any of its political subdivisions;

19 (4) "Total divestment", reducing the value of prohibited investments to no more than five-
20 hundredths of a percent of the market value of all assets under management by a state-managed
21 fund..

22 3. All state-managed funds shall be prohibited from holding investments in any prohibited
23 company.

24 4. All state-managed funds are required to begin divestment of any holdings prohibited in
25 subsection 3 of this section, with total divestment achieved no later than August 28, 2027.

26 5. No later than August 28, 2025, the state treasurer shall identify all prohibited companies
27 and include those companies in a list of restricted companies to be distributed to each state-managed
28 fund. In compiling the list, the state treasurer shall, at a minimum:

29 (1) Review and rely on publicly available information regarding all prohibited companies,
30 including information provided by nonprofit organizations, research firms, and government entities;

Action Taken _____ Date _____

1 (2) Contact asset managers and fund managers contracted by a state-managed fund that
2 invests in any prohibited companies;

3 (3) Contact other institutional investors that have divested from or engaged with any
4 prohibited companies; and

5 (4) Retain an independent research firm to identify all prohibited companies.

6 6. Nothing in this section shall be construed to inhibit, conflict, impede, or otherwise
7 interfere with any required financial safeguards, fiduciary requirements, or other sound investment
8 criteria to which any state-managed fund is subject."; and

9
10 Further amend said bill by amending the title, enacting clause, and intersectional references
11 accordingly.