

SECOND REGULAR SESSION

SENATE BILL NO. 1302

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR KOENIG.

4419S.04I

KRISTINA MARTIN, Secretary

AN ACT

To amend chapter 30, RSMo, by adding thereto one new section relating to prohibited investments for publicly-managed funds.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 30, RSMo, is amended by adding thereto
2 one new section, to be known as section 30.975, to read as
3 follows:

30.975. 1. This section shall be known and may be
2 cited as the "Foreign Adversary Divestment Act of 2024".

3 2. For purposes of this section, the following terms
4 mean:

5 (1) "Company", any sole proprietorship, organization,
6 association, corporation, partnership, joint venture,
7 limited partnership, limited liability partnership, limited
8 liability company, or other entity or business association,
9 including all wholly owned subsidiaries, majority owned
10 subsidiaries, parent companies, or affiliates of such
11 entities or business associations;

12 (2) "Divestment", the sale, forfeit, or otherwise
13 contractual end of any current or planned investments;

14 (3) "Domicile", either the country in which a company
15 is headquartered or where the majority of ownership share is
16 held;

17 (4) "Foreign adversary", the same meaning as in 15 CFR
18 7.4;

19 (5) "Investment", any transfer of funds in any active
20 or passive, direct or indirect, structure that seeks to
21 generate revenue or accomplish any other gain, including non-
22 monetary gain;

23 (6) "Official government capacity", any position,
24 elected or appointed, in a government or its subsidiaries;

25 (7) "State-managed fund", any short or long-term
26 investment structure that is state-managed, state-run, state-
27 controlled, or otherwise overseen by the state of Missouri,
28 a state agency, any political subdivision of the state, or
29 any entity controlled by any of the foregoing, and over
30 which the state or political subdivision has primary
31 discretion over or in which the state or political
32 subdivision has a vested interest. "State-managed fund"
33 includes, but is not limited to, the following:

34 (a) A public retirement fund, or other state-sponsored
35 fund, that is sponsored, maintained, or contributed to or
36 required to be contributed to by the state of Missouri or
37 any political subdivision of the state, or any department or
38 agency thereof;

39 (b) A city, county, or other local or municipal entity
40 investment fund, "rainy day fund", budget reserve fund, or
41 other investment structure controlled by a political
42 subdivision;

43 (c) A university or college endowment, trust, or other
44 structure that consists, in whole or in part, of a public
45 institution of higher education's investable assets; and

46 (d) Any fund that is subject to the purview or
47 direction of the state of Missouri or any political
48 subdivision, and consisting, in whole or in part, of state
49 funds, but managed by a third-party entity, such as a
50 fiduciary;

51 (8) "State-owned enterprise", any company owned or
52 controlled, in whole or in part, by a government or by one
53 or more individuals acting in an official government
54 capacity;

55 (9) "Total divestment", reducing the value of
56 prohibited investments to zero percent of the market value
57 of all assets under management by a state-managed fund.

58 3. A state-managed fund shall not:

59 (1) Hold investments in any foreign adversary, state-
60 owned enterprise of a foreign adversary, company domiciled
61 within a foreign adversary, or company owned or controlled
62 by a foreign adversary, state-owned enterprise of a foreign
63 adversary, company domiciled within a foreign adversary; or

64 (2) Invest or deposit public funds in any bank that is
65 domiciled or has its principal place of business in a
66 foreign adversary.

67 4. Beginning August 28, 2024, a state-managed fund
68 shall immediately in good faith begin divestment of any
69 holdings prohibited by subsection 3 of this section, with
70 total divestment achieved no later than August 28, 2026.

71 5. Nothing in this section shall be construed to
72 require the impairment of the obligation of any contract
73 entered into prior to August 28, 2024.

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