

SENATE RESOLUTION NO. 141

BY SENATOR HODGES

A RESOLUTION

To urge and request the boards of trustees of the state retirement systems to study and make recommendations regarding refraining from investing in the securities of companies domiciled in China or whose management and direction are subject to the control of the Chinese government, Chinese military, or the Chinese Communist Party.

WHEREAS, the People's Republic of China and its controlling Communist Party are progressively hostile to the interests of the United States and the state of Louisiana and are actively engaged in systemic efforts to steal intellectual property, undermine democracy, and undermine the individual freedoms cherished by residents of Louisiana; and

WHEREAS, due to ongoing tension between the United States and China, exposure to investment in securities, equities, and other holdings of business entities affiliated with or controlled by the Chinese government introduces regulatory and geopolitical risks that may cause sudden losses for state retirement systems; and

WHEREAS, recognizing the risk to holders of Chinese-based equities and investments due to Chinese government interference, market manipulation, and lack of financial and organizational transparency, state pension funds in Arkansas, Kansas, Missouri, Oklahoma, Texas, and Florida, as well as the Federal Retirement Thrift Investment Board, have divested from such holdings; and

WHEREAS, the Louisiana Legislature urges officials charged with the fiduciary duty of managing state pension dollars to act prudently and in the best interests of state employees whose retirement savings they are charged with managing.

THEREFORE, BE IT RESOLVED that the Senate of the Legislature of Louisiana does hereby urge and request the boards of trustees of the state retirement systems to conduct a prudent, risk-based review of existing investments in securities and other financial instruments of businesses domiciled in China or otherwise subject to the control of the Chinese government, Chinese military, or the Chinese Communist Party for the purpose of

identifying and recommending appropriate divestment of such holdings, and further requests the systems to study and make recommendations regarding refraining from any future investments in such companies.

BE IT FURTHER RESOLVED that the boards of the Louisiana State Employees' Retirement System, the Teachers' Retirement System of Louisiana, the Louisiana School Employees' Retirement System, and the Louisiana State Police Retirement System shall identify and quantify current holdings to determine exposure to China-connected investments, meaning investments in companies or entities domiciled in China or subject to the control of the Chinese government, Chinese military, or the Chinese Communist Party; evaluate the material financial and operational risks associated with such exposure; examine divestment in a reasonable, orderly, and prudent manner from such investments; and identify internal controls that would prohibit future investments in Chinese entities or China-connected investments.

BE IT FURTHER RESOLVED that the executive director of each of the state retirement system boards shall submit a report to the Senate Retirement Committee by December 1, 2026, regarding any current holdings in companies or entities domiciled in China or subject to the control of the Chinese government, Chinese military, or the Chinese Communist Party.

BE IT FURTHER RESOLVED that the report shall include all of the following:

- (1) The name of each issuer and the type of security or investment vehicle.
- (2) The market value of the holding as of a certain date.
- (3) The percentage of the system's portfolio represented by each such holdings.
- (4) Whether the holding is held directly or indirectly through an investment management company, mutual fund, or other pooled entity.

BE IT FURTHER RESOLVED that a copy of this Resolution be sent to the executive director of each state retirement system.

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PRESIDENT OF THE SENATE