HOUSE BILL No. 5080

September 25, 2003, Introduced by Reps. Meisner, Law, Farrah, Jamnick, Condino, McConico, Rivet, Vagnozzi, Plakas, Bieda, Gieleghem, Wojno, Woodward, Phillips, Minore, Gillard, Elkins, Gleason, Pappageorge, Sak, Dennis and O'Neil and referred to the Committee on Commerce.

A bill to amend 1965 PA 314, entitled

"Public employee retirement system investment act,"

by amending section 20k (MCL 38.1140k), as added by 1996 PA 485.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1   Sec. 20k.   (1) Notwithstanding a percentage of total assets

2 limitation for an investment provided in any other section of

3 this act, an investment fiduciary may invest not more than 20% of

4 a system's assets in foreign securities.   Except as otherwise

5 provided in this act, an investment fiduciary shall not do any of

6 the following:

7   (a) Invest in more than 5% of the outstanding foreign

8 securities of any 1 issuer.

9   (b) Invest more than 5% of a system's assets in the foreign

10 securities of any 1 issuer.

11   (2) Investments in foreign securities under this section

1 shall be made only by investment fiduciaries described in section

2 13(8) who have demonstrated expertise in investments of that

3 type.

4   **(3) Beginning October 1, 2003, an investment fiduciary shall**

5 **not invest in an expatriated business. As used in this**

6 **subsection:**

7   **(a) "Expatriated business" means a corporation or an**

8 **affiliate of the corporation that is incorporated in a tax haven**

9 **country after December 31, 2001, but the United States is the**

10 **principal market for the public trading of the corporation's**

11 **stock, as determined by the director.**

12   **(b) "Tax haven country" means each of the following:**

13 **Barbados, Bermuda, British Virgin Islands, Cayman Islands,**

14 **Commonwealth of the Bahamas, Cyprus, Gibraltar, Isle of Man, the**

15 **Principality of Liechtenstein, the Principality of Monaco, and**

16 **the Republic of the Seychelles.**