

The House Committee on Retirement offers the following substitute to HB 481:

A BILL TO BE ENTITLED  
AN ACT

1 To amend Article 7 of Chapter 20 of Title 47 of the Official Code of Georgia Annotated, the  
2 "Public Retirement Systems Investment Authority Law," so as to provide for a fiduciary duty  
3 to invest retirement assets solely in the financial interests of participants and their  
4 beneficiaries; to provide for duties; to provide for delegation of duties; to provide for  
5 objectives; to provide for proxy voting; to provide for conformance; to provide for a  
6 definition; to provide for related matters; to provide for an effective date; to repeal  
7 conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Article 7 of Chapter 20 of Title 47 of the Official Code of Georgia Annotated, the "Public  
11 Retirement Systems Investment Authority Law," is amended by adding a new Code section  
12 to read as follows:

13 "47-20-88.

14 (a) As used in this Code section, the term 'fiduciary' means any retirement system  
15 administration or any person that with respect to any retirement system subject to the  
16 provisions of this chapter:

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- 17 (1) Exercises any discretionary authority or control relative to the management or  
18 disposition of a retirement system's assets;
- 19 (2) Renders investment advice for a fee or other compensation, whether directly or  
20 indirectly, with respect to any moneys or other property of a retirement system, or has  
21 any authority or responsibility to do so; or
- 22 (3) Has any discretionary authority or control in the management or administration of the  
23 retirement system.
- 24 (b) With regard to the investments and assets of a retirement system, each fiduciary:
- 25 (1) Shall discharge its duties:
- 26 (A) Solely in the interests of plan participants and their beneficiaries;
- 27 (B) For the exclusive purpose of providing benefits to plan participants and their  
28 beneficiaries; and
- 29 (C) In accordance with this Code section first and with the laws, resolutions,  
30 ordinances, and plan documents appurtenant to such retirement system second;
- 31 (2) Shall only make investments with care, skill, prudence, and diligence under the  
32 circumstances then prevailing that a prudent expert acting in like capacity and familiar  
33 with such matters would use in the conduct of an enterprise of a like character and with  
34 like aims;
- 35 (3) Shall diversify the investments of the plan so as to minimize the risk of large losses,  
36 unless doing so is clearly not prudent under the circumstances; and
- 37 (4) Shall not subordinate the interests of the participants and their beneficiaries or  
38 sacrifice investment returns or accept increased investment risks in the promotion of any  
39 nonpecuniary interests. Such nonpecuniary interests shall include, but shall not be  
40 limited to, the furtherance of any social, political, or ideological interests.
- 41 (c) A fiduciary may delegate investment management responsibilities to qualified  
42 professional investment personnel; provided, however, that the fiduciary or fiduciaries  
43 making such delegation shall still be liable for a breach of its fiduciary duty if such

44 delegation is shown to have been based upon influences other than the belief that the plan  
45 was best served by such delegation.

46 (d) The investment objectives of a retirement system shall be to provide the greatest  
47 possible long-term benefits to members of the retirement system by maximizing the total  
48 rate of return on investment within prudent limits of risk for a retirement fund of its type  
49 and consistent with any investment return requirement assumed by the actuaries in  
50 determining the present and future soundness of the fund.

51 (e) Each fiduciary shall vote and execute all voting proxies:

52 (1) Solely and exclusively in the best economic interests or rights of the retirement  
53 system;

54 (2) In favor of confidential proxy balloting; and

55 (3) In support of management unless, in the opinion of the fiduciary, such a vote would  
56 be detrimental to the best economic interests or rights of the retirement system.

57 (f) By November 1, 2024, any retirement system subject to the provisions of this chapter  
58 shall fully adhere to this Code section and conform, as necessary, any plan documents or  
59 contracts or local laws, ordinances, or resolutions that are not in compliance with this Code  
60 section."

61 **SECTION 2.**

62 This Act shall become effective on July 1, 2024.

63 **SECTION 3.**

64 All laws and parts of laws in conflict with this Act are repealed.