

41.472 Definitions for KRS 41.470 to 41.476 -- Exemptions from statutory or common law obligations.

- (1) As used in KRS 41.470 to 41.476:
 - (a) "Company" means a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company, or other entity or business association, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations, that exists to make a profit;
 - (b) "Direct holdings" means, with respect to a financial company, all securities of that financial company held directly by a state governmental entity in an account or fund in which a state governmental entity owns all shares or interests;
 - (c) "Energy company boycott" means, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company:
 1. Engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or
 2. Does business with a company described in subparagraph 1. of this paragraph;
 - (d) "Financial company" means a publicly traded financial services, banking, or investment company;
 - (e) "Indirect holdings" means, with respect to a financial company, all securities of that financial company held in an account or fund, such as a mutual fund, managed by one (1) or more persons not employed by a state governmental entity, in which the state governmental entity owns shares or interests together with other investors not subject to the provisions of this chapter. The term does not include money invested under a plan described by Section 401(k) or 457 of the Internal Revenue Code;
 - (f) "Listed financial company" means a financial company listed by the Treasurer;
 - (g) "State governmental entity" means any state board, bureau, cabinet, commission, department, authority, officer, or other entity in the executive branch of state government that makes investments, deposits, or transactions in excess of one million dollars (\$1,000,000) annually; and
 - (h) "Treasurer" means the State Treasurer.
- (2) Notwithstanding any provision of law to the contrary, with respect to actions taken in compliance with KRS 41.470 to 41.476, including all good-faith determinations regarding financial companies as required by KRS 41.470 to 41.476, a state governmental entity and the Treasurer are exempt from any conflicting statutory or

common law obligations, including any obligations with respect to making investments, divesting from any investment, preparing or maintaining any list of financial companies, or choosing asset managers, investment funds, or investments for the state governmental entity's securities portfolios.

- (3) A state governmental entity shall not be subject to the requirements of KRS 41.470 to 41.476 if the state governmental entity determines that the requirements would be inconsistent with its fiduciary responsibility with respect to the investment of entity assets or other duties imposed by law relating to the investment of entity assets.

Effective: July 14, 2022

History: Created 2022 Ky. Acts ch. 120, sec. 2, effective July 14, 2022.