

SB0255/479938/1

BY: Budget and Taxation Committee

AMENDMENTS TO SENATE BILL 255
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “Agency” and substitute “and Pension System”; in line 5, strike “State Retirement Agency” and substitute “Board of Trustees for the State Retirement and Pension System”; strike beginning with “Chief” in line 7 down through “Agency” in line 8 and substitute “Board of Trustees; providing for the application of this Act”; strike in their entirety lines 15 through 19, inclusive; and in line 22, strike “21-122(d)” and substitute “21-123”.

AMENDMENT NO. 2

On page 2, in line 16, strike “**§ 21-122(D)**” and substitute “**§ 21-123(F)**”; and strike in their entirety lines 19 through 31, inclusive, and substitute:

“21-123.

(a) Except for those assets that the law requires another entity or person to control, the State Retirement Agency, under the supervision of the Board of Trustees, shall manage all assets of the several systems.

(b) The Board of Trustees:

(1) is deemed the owner of all the assets of the several systems; but

(2) may delegate some or all incidents of ownership to the State Retirement Agency to administer the investment portfolios of the several systems.

(c) (1) The Board of Trustees may invest assets of the several systems subject to the conditions that it imposes.

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(2) The Board of Trustees shall include the conditions that it adopts under paragraph (1) of this subsection in the investment policy manual required by § 21-116(c) of this subtitle.

(d) (1) This subsection applies only to the execution of:

- (i) ground rent redemption deeds;
- (ii) releases or reassignments of mortgages; and
- (iii) satisfactions or reassignments of notes conveying, releasing, or reassigning any interest owned by the State for the use of a fund of the several systems.

(2) An instrument must be executed by any two of:

- (i) the State Treasurer;
- (ii) the Executive Director of the State Retirement Agency;
- (iii) the Chief Investment Officer of the State Retirement Agency;

or

(iv) another employee of the State Retirement Agency as the Executive Director designates with the approval of the Board of Trustees.

(e) (1) The Board of Trustees may commingle assets of the several systems, including the Postretirement Health Benefits Trust Fund, if the Board of Trustees keeps separate sets of records for each State system or group of State systems listed in paragraph (2) of this subsection that show:

- (i) the percentage of participation of each State system or group of State systems, including the Postretirement Health Benefits Trust Fund;
- (ii) the percentage of income, gains, and losses applicable to each State system or group of State systems, including the Postretirement Health Benefits Trust Fund; and

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(iii) the total contributions and disbursements applicable to each State system or group of State systems, including the Postretirement Health Benefits Trust Fund.

(2) The Board of Trustees shall keep records required by paragraph (1) of this subsection for each of the following:

(i) the group that consists of the Correctional Officers' Retirement System, the Employees' Pension System, the Employees' Retirement System, and the Legislative Pension Plan;

(ii) the Judges' Retirement System;

(iii) the Law Enforcement Officers' Pension System;

(iv) the State Police Retirement System;

(v) the group that consists of the Teachers' Pension System and the Teachers' Retirement System; and

(vi) the Postretirement Health Benefits Trust Fund.

(F) ON BEHALF OF THE SEVERAL SYSTEMS, THE BOARD OF TRUSTEES SHALL MAKE ARRANGEMENTS FOR THE SAFE CUSTODY, DOMESTIC OR GLOBAL, OF INVESTMENTS WITH ONE OR MORE DULY QUALIFIED CUSTODIAN BANKS OR TRUST COMPANIES.

[(f)] (G) (1) Notwithstanding any other law in force on or after July 1, 1988, unless the law makes specific reference to this subsection, and subject to paragraph (2) of this subsection, the Board of Trustees may keep all analyses, forecasts, negotiations, papers, records, recommendations, and reports closed to public inspection until:

(i) the release of the information would not adversely affect the negotiation for or market price of a security; and

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(ii) completion of:

1. a proposed purchase or program of purchases leading to a cumulative position in a security;
2. the making, sale, or prepayment of a loan;
3. any proposed sale or program of sales leading to the elimination of a position in a security; or
4. the sale or purchase of real estate.

(2) The sale or purchase of real estate shall be subject to the approval of a majority of the Comptroller, Treasurer, and Secretary of Budget and Management, in their capacity as members of the Board of Trustees.

[(g)] (H) Any direct owned real estate purchased as an investment by the State Retirement and Pension System shall be managed by an external investment manager selected by the Chief Investment Officer.

[(h)] (I) Title 4, Subtitle 3, Part III and § 10–305 of the State Finance and Procurement Article do not apply to the sale, acquisition, lease, transfer, exchange, or other disposition of any real or personal property acquired by the Board of Trustees in any transaction authorized under this title.”.

AMENDMENT NO. 3

On page 4, after line 7, insert:

“SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any contract or amendments to any contracts resulting from a request for proposals for global custody services issued by the State Treasurer before the effective date of this Act.”;

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and in line 8, strike "2." and substitute "3.".