
By: **Delegate Proctor (Chairman, Joint Committee on Pensions)**

Introduced and read first time: January 16, 2002

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Retirement and Pensions - Quarterly Estimate of Manager Fees -**
3 **Alternative Investment Managers**

4 FOR the purpose of increasing certain fee limitations for the external management of
5 certain investments; providing for the carry-over of the unspent quarterly fees
6 estimated for the external management of certain investments; and generally
7 relating to certain fee limitations for the external management of certain
8 investments.

9 BY repealing and reenacting, with amendments,
10 Article - State Personnel and Pensions
11 Section 21-315(d)
12 Annotated Code of Maryland
13 (1997 Replacement Volume and 2001 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
15 MARYLAND, That the Laws of Maryland read as follows:

16 **Article - State Personnel and Pensions**

17 21-315.

18 (d) (1) Each quarter of the fiscal year the Board of Trustees shall estimate:

19 [(1)] (I) one-fourth of an amount, not exceeding 1.2% of the market
20 value as of the last day of the preceding quarter of assets externally invested in real
21 estate OR ALTERNATIVE INVESTMENTS, necessary for external real estate OR
22 ALTERNATIVE investment management services; and

23 [(2)] (II) one-fourth of an amount, not exceeding 0.3% of the market
24 value as of the last day of the preceding quarter of invested assets that are externally
25 managed exclusive of assets invested in real estate OR ALTERNATIVE INVESTMENTS,
26 necessary to procure and retain investment management services other than external
27 real estate OR ALTERNATIVE investment management services.

1 (2) IN ADDITION TO THE AMOUNT ESTIMATED IN PARAGRAPH (1)(I) OF
2 THIS SUBSECTION, ANY PREVIOUSLY ESTIMATED AMOUNT THAT HAS NOT BEEN
3 PAID TO AN EXTERNAL REAL ESTATE OR ALTERNATIVE INVESTMENT MANAGEMENT
4 SERVICE BY THE LAST DAY OF EACH QUARTER SHALL BE CARRIED OVER INTO THE
5 NEXT QUARTER AND ADDED TO THE NEW ESTIMATE.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be
7 construed to apply retroactively and shall be applied to and interpreted to affect any
8 previously unspent quarterly estimates for external real estate or alternative
9 investment management services on or after July 1, 2000.

10 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 July 1, 2002.