

HOUSE BILL 1277

P1, P2, P3

(8lr3084)

ENROLLED BILL

—Health and Government Operations / Finance and Budget and Taxation—

Introduced by **Delegates Walker, Taylor, Ali, Benson, Braveboy, Burns, Cane, Carter, Conaway, Doory, Frush, Gutierrez, Haynes, Healey, Holmes, Howard, Hubbard, Hucker, Ivey, Nathan-Pulliam, Niemann, Oaks, Pena-Melnyk, Proctor, Rice, Robinson, F. Turner, V. Turner, Valderrama, and Vaughn**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **State Government - Brokerage and Investment ~~Banking~~ Management**
3 **Services - Use of ~~Certified~~ Minority Business Enterprises**

4 FOR the purpose of requiring certain State entities responsible for the management of
5 certain funds to attempt to use to a certain extent ~~certified~~ minority business
6 enterprise brokerage and investment ~~banking~~ management services firms;
7 specifying that brokerage and investment management services shall include
8 services relating to certain asset classes under certain circumstances; requiring
9 the entities to undertake steps to remove any barriers that limit participation
10 by ~~certified~~ minority business enterprises in certain brokerage and investment
11 ~~banking~~ management services opportunities; requiring the entities to adopt

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber / conference committee amendments.



1 certain guidelines; requiring the entities to submit a certain annual report to
2 certain persons on certain matters relating to ~~certified~~ minority business
3 enterprise brokerage and investment ~~banking~~ management services firms; and
4 generally relating to the use of ~~certified~~ minority business enterprise brokerage
5 and investment ~~banking~~ management services firms for certain purposes by
6 certain State entities.

7 BY repealing and reenacting, without amendments,
8 Article 95 – Treasurer
9 Section 22G(a), (b), (h), and (j)
10 Annotated Code of Maryland
11 (2003 Replacement Volume and 2007 Supplement)

12 BY repealing and reenacting, with amendments,
13 Article – Insurance
14 Section 20–303
15 Annotated Code of Maryland
16 (2006 Replacement Volume and 2007 Supplement)

17 BY repealing and reenacting, with amendments,
18 Article – Labor and Employment
19 Section 10–122
20 Annotated Code of Maryland
21 (1999 Replacement Volume and 2007 Supplement)

22 BY repealing and reenacting, with amendments,
23 Article – State Finance and Procurement
24 Section 6–222
25 Annotated Code of Maryland
26 (2006 Replacement Volume and 2007 Supplement)

27 BY repealing and reenacting, with amendments,
28 Article – State Personnel and Pensions
29 Section 21–116
30 Annotated Code of Maryland
31 (2004 Replacement Volume and 2007 Supplement)

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

34 **Article 95 – Treasurer**

35 22G.

36 (a) (1) There is a Local Government Investment Pool. The Local
37 Government Investment Pool consists of the aggregate of all funds from local
38 governments that are placed in the custody of the State and any funds of the State

1 that are placed in the Local Government Investment Pool by the Treasurer for
2 investment and reinvestment.

3 (2) The investment policies for the Local Government Investment Pool
4 shall be established by the Treasurer.

5 (3) The Treasurer shall administer the Local Government Investment
6 Pool on behalf of the participating local governments and, to the extent that State
7 funds are included, on behalf of the State.

8 (4) The Treasurer shall develop such procedures necessary for the
9 efficient administration of the Pool, including:

10 (i) Specification of minimum amounts which may be deposited
11 in the Pool and minimum periods of time for which deposits shall be retained in the
12 Pool;

13 (ii) Payment of amounts equivalent to administrative expenses
14 from the earnings of the Pool; and

15 (iii) Distribution of the earnings in excess of expenses, or
16 allocation of losses, to the several participants in a manner which equitably reflects
17 the differing amount of their respective investments and the differing periods of time
18 for which the amounts were in the custody of the Pool.

19 (b) (1) The Treasurer shall invest moneys in the Local Government
20 Investment Pool in accordance with the provisions set forth in §§ 6-222 and 6-223 of
21 the State Finance and Procurement Article.

22 (2) Notwithstanding any provisions of law to the contrary or any
23 limitation or restriction contained in any other law, the Treasurer may invest, redeem,
24 sell, exchange, and reinvest moneys in the Local Government Investment Pool in
25 bankers' acceptances guaranteed by banking institutions.

26 (h) (1) Subject to the objectives and requirements of this section, the
27 Treasurer shall formulate procedures for the investment and reinvestment of funds in
28 the Investment Pool and the acquisition, retention, management, and disposition of
29 investments of the Investment Pool.

30 (2) (i) The Treasurer may enter into a contractual agreement with
31 a qualified Maryland fiscal agent and may compensate the agent for services rendered.

32 (ii) The agent may perform investment and administrative
33 services which the Treasurer is authorized by this section to perform.

34 (j) For the purposes of this section, "local government" includes all of the
35 legal entities, bodies, and agencies set out in § 22 of this article and local government

1 insurance pools formed under Title 19, Subtitle 6 of the Insurance Article, but does not
2 include the State and agencies of the State.

3 **Article – Insurance**

4 20–303.

5 (a) (1) A financial management committee of the Fund shall manage and
6 invest all moneys collected by or for the Fund through premiums, earnings from
7 investments, or from other sources.

8 (2) The financial management committee consists of the Executive
9 Director and two members of the Board of Trustees whom the Board of Trustees
10 chooses.

11 (3) Of the two members from the Board of Trustees:

12 (i) one shall be chosen from the members appointed by the
13 Governor; and

14 (ii) one shall be chosen from the members appointed by the
15 Association.

16 (b) (1) Whenever the amount of moneys in the Fund exceeds the amount
17 that the Executive Director believes is likely to be required immediately, the financial
18 management committee may manage the excess as it considers appropriate and invest
19 the excess in investments legal for casualty insurers under §§ 5–601 through 5–609 of
20 this article.

21 (2) If use of the excess becomes necessary or expedient, the financial
22 management committee may collect, sell, or otherwise realize on the investment and
23 any accrued interest.

24 (c) (1) (I) THE CONSISTENT WITH MINORITY BUSINESS
25 PURCHASING STANDARDS APPLICABLE TO UNITS OF STATE GOVERNMENT
26 UNDER THE STATE FINANCE AND PROCUREMENT ARTICLE AND CONSISTENT
27 WITH THE FIDUCIARY DUTIES OF THE FINANCIAL MANAGEMENT COMMITTEE,
28 THE FINANCIAL MANAGEMENT COMMITTEE SHALL ATTEMPT TO USE TO THE
29 GREATEST EXTENT FEASIBLE CERTIFIED MINORITY BUSINESS ENTERPRISES, AS
30 DEFINED IN § 14-301 OF THE STATE FINANCE AND PROCUREMENT ARTICLE,
31 TO PROVIDE BROKERAGE AND INVESTMENT BANKING MANAGEMENT SERVICES
32 TO THE COMMITTEE.

33 (II) FOR PURPOSES OF THIS SUBSECTION, BROKERAGE AND
34 INVESTMENT MANAGEMENT SERVICES SHALL INCLUDE SERVICES RELATING TO
35 ALL ALLOCATED ASSET CLASSES.

1 (2) (I) TO ASSIST IT IN ACHIEVING THE GOAL DESCRIBED
2 UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE FINANCIAL MANAGEMENT
3 COMMITTEE SHALL UNDERTAKE MEASURES TO REMOVE ANY BARRIERS THAT
4 LIMIT FULL PARTICIPATION BY ~~CERTIFIED~~ MINORITY BUSINESS ENTERPRISES
5 IN BROKERAGE AND INVESTMENT ~~BANKING~~ MANAGEMENT SERVICE SERVICES
6 OPPORTUNITIES AFFORDED BY THE FUND.

7 (II) THE MEASURES UNDERTAKEN BY THE FINANCIAL
8 MANAGEMENT COMMITTEE SHALL INCLUDE THE USE OF A WIDE VARIETY OF
9 MEDIA, INCLUDING THE FUND'S WEBSITE, TO PROVIDE NOTICE TO A BROAD AND
10 VARIED RANGE OF POTENTIAL PROVIDERS ABOUT THE BROKERAGE AND
11 INVESTMENT MANAGEMENT SERVICES OPPORTUNITIES AFFORDED BY THE
12 FUND.

13 (3) IN CONJUNCTION WITH THE GOVERNOR'S OFFICE OF
14 ~~BUSINESS DIVERSITY~~ MINORITY AFFAIRS, THE FINANCIAL MANAGEMENT
15 COMMITTEE SHALL DEVELOP GUIDELINES TO ASSIST THE COMMITTEE IN
16 ~~ACHIEVING~~ IDENTIFYING AND EVALUATING QUALIFIED MINORITY BUSINESS
17 ENTERPRISES IN ORDER TO HELP THE FUND ACHIEVE THE OBJECTIVE FOR
18 GREATER USE OF ~~CERTIFIED~~ MINORITY BUSINESS ENTERPRISES FOR
19 BROKERAGE AND INVESTMENT ~~BANKING~~ MANAGEMENT SERVICES.

20 (4) ON OR BEFORE SEPTEMBER 1 EACH YEAR, THE FINANCIAL
21 MANAGEMENT COMMITTEE SHALL SUBMIT A REPORT TO THE GOVERNOR'S
22 OFFICE OF ~~BUSINESS DIVERSITY~~ MINORITY AFFAIRS AND, SUBJECT TO §
23 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON:

24 (I) THE IDENTITY OF THE ~~CERTIFIED~~ MINORITY BUSINESS
25 ENTERPRISE BROKERAGE AND INVESTMENT ~~BANKING~~ MANAGEMENT SERVICES
26 FIRMS USED BY THE FINANCIAL MANAGEMENT COMMITTEE IN THE
27 IMMEDIATELY PRECEDING FISCAL YEAR;

28 (II) THE PERCENTAGE AND DOLLAR VALUE OF THE FUND
29 ASSETS THAT ARE UNDER THE INVESTMENT CONTROL OF ~~CERTIFIED~~ MINORITY
30 BUSINESS ENTERPRISE BROKERAGE AND INVESTMENT ~~BANKING~~ MANAGEMENT
31 SERVICES FIRMS; AND

32 (III) ~~ACTIONS THE COMMITTEE UNDERTOOK IN THE~~
33 ~~IMMEDIATELY PRECEDING FISCAL YEAR TO INCREASE THE USE OF CERTIFIED~~
34 ~~MINORITY BUSINESS ENTERPRISE BROKERAGE AND INVESTMENT BANKING~~
35 ~~FIRMS, INCLUDING ACTIONS TO ENCOURAGE OTHER BROKERAGE AND~~
36 ~~INVESTMENT BANKING FIRMS TO USE CERTIFIED MINORITY BUSINESS~~
37 ~~ENTERPRISE BROKERAGE AND INVESTMENT BANKING FIRMS AS~~

1 ~~SUBCONTRACTORS~~ THE MEASURES THE FINANCIAL MANAGEMENT COMMITTEE
 2 UNDERTOOK IN THE IMMEDIATELY PRECEDING FISCAL YEAR IN ACCORDANCE
 3 WITH PARAGRAPH (2)(II) OF THIS SUBSECTION.

4 **Article – Labor and Employment**

5 10–122.

6 (A) If, at any time, the amount of money in the Fund exceeds the amount
 7 that the Board considers necessary for immediate use, the excess shall be invested in
 8 any investment authorized under Title 5, Subtitle 6 of the Insurance Article for
 9 insurance companies.

10 (B) (1) (I) ~~THE~~ CONSISTENT WITH MINORITY BUSINESS
 11 PURCHASING STANDARDS APPLICABLE TO UNITS OF STATE GOVERNMENT
 12 UNDER THE STATE FINANCE AND PROCUREMENT ARTICLE AND CONSISTENT
 13 WITH THE FIDUCIARY DUTIES OF THE BOARD, THE BOARD SHALL ATTEMPT TO
 14 USE TO THE GREATEST EXTENT FEASIBLE ~~CERTIFIED~~ MINORITY BUSINESS
 15 ENTERPRISES, AS DEFINED IN § 14-301 OF THE STATE FINANCE AND
 16 PROCUREMENT ARTICLE, TO PROVIDE BROKERAGE AND INVESTMENT BANKING
 17 MANAGEMENT SERVICES TO THE BOARD.

18 (II) FOR PURPOSES OF THIS SUBSECTION, BROKERAGE AND
 19 INVESTMENT MANAGEMENT SERVICES SHALL INCLUDE SERVICES RELATING TO
 20 ALL ALLOCATED ASSET CLASSES.

21 (2) (I) TO ASSIST IT IN ACHIEVING THE GOAL DESCRIBED
 22 UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE BOARD SHALL UNDERTAKE
 23 MEASURES TO REMOVE ANY BARRIERS THAT LIMIT FULL PARTICIPATION BY
 24 ~~CERTIFIED~~ MINORITY BUSINESS ENTERPRISES IN BROKERAGE AND
 25 INVESTMENT BANKING MANAGEMENT SERVICE SERVICES OPPORTUNITIES
 26 AFFORDED BY THE FUND.

27 (II) THE MEASURES UNDERTAKEN BY THE BOARD SHALL
 28 INCLUDE THE USE OF A WIDE VARIETY OF MEDIA, INCLUDING THE BOARD'S
 29 WEBSITE, TO PROVIDE NOTICE TO A BROAD AND VARIED RANGE OF POTENTIAL
 30 PROVIDERS ABOUT THE BROKERAGE AND INVESTMENT MANAGEMENT SERVICES
 31 OPPORTUNITIES AFFORDED BY THE FUND.

32 (3) IN CONJUNCTION WITH THE GOVERNOR'S OFFICE OF
 33 ~~BUSINESS DIVERSITY~~ MINORITY AFFAIRS, THE BOARD SHALL DEVELOP
 34 GUIDELINES TO ASSIST IT IN ACHIEVING IDENTIFYING AND EVALUATING
 35 QUALIFIED MINORITY BUSINESS ENTERPRISES IN ORDER TO HELP THE FUND
 36 ACHIEVE THE OBJECTIVE FOR GREATER USE OF ~~CERTIFIED~~ MINORITY

1 BUSINESS ENTERPRISES FOR BROKERAGE AND INVESTMENT ~~BANKING~~
2 MANAGEMENT SERVICES.

3 (4) ON OR BEFORE SEPTEMBER 1 EACH YEAR, THE BOARD SHALL
4 SUBMIT A REPORT TO THE GOVERNOR'S OFFICE OF ~~BUSINESS DIVERSITY~~
5 MINORITY AFFAIRS AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT
6 ARTICLE, THE GENERAL ASSEMBLY ON:

7 (I) THE IDENTITY OF THE ~~CERTIFIED~~ MINORITY BUSINESS
8 ENTERPRISE BROKERAGE AND INVESTMENT ~~BANKING~~ MANAGEMENT SERVICES
9 FIRMS USED BY THE BOARD IN THE IMMEDIATELY PRECEDING FISCAL YEAR;

10 (II) THE PERCENTAGE AND DOLLAR VALUE OF THE FUND
11 ASSETS THAT ARE UNDER THE INVESTMENT CONTROL OF ~~CERTIFIED~~ MINORITY
12 BUSINESS ENTERPRISE BROKERAGE AND INVESTMENT ~~BANKING~~ MANAGEMENT
13 SERVICES FIRMS; AND

14 (III) ~~ACTIONS THE BOARD UNDERTOOK IN THE~~
15 ~~IMMEDIATELY PRECEDING FISCAL YEAR TO INCREASE THE USE OF CERTIFIED~~
16 ~~MINORITY BUSINESS ENTERPRISE BROKERAGE AND INVESTMENT BANKING~~
17 ~~FIRMS, INCLUDING ACTIONS TO ENCOURAGE OTHER BROKERAGE AND~~
18 ~~INVESTMENT BANKING FIRMS TO USE CERTIFIED MINORITY BUSINESS~~
19 ~~ENTERPRISE BROKERAGE AND INVESTMENT BANKING FIRMS AS~~
20 ~~SUBCONTRACTORS~~ THE MEASURES THE BOARD UNDERTOOK IN THE
21 IMMEDIATELY PRECEDING FISCAL YEAR IN ACCORDANCE WITH PARAGRAPH
22 (2)(II) OF THIS SUBSECTION.

23 **Article - State Finance and Procurement**

24 6-222.

25 (a) The Treasurer may invest or reinvest unexpended or surplus money over
26 which the Treasurer has custody in:

27 (1) an obligation for which the United States has pledged its faith and
28 credit for the payment of the principal and interest;

29 (2) an obligation that a federal agency or a federal instrumentality has
30 issued in accordance with an act of Congress;

31 (3) a repurchase agreement collateralized in an amount not less than
32 102% of the principal amount by an obligation of the United States, its agencies or
33 instrumentalities, provided the collateral is held by a custodian other than the seller
34 designated by the buyer;

1 (4) bankers' acceptances guaranteed by a financial institution with a
2 short-term debt rating in the highest letter and numerical rating by at least one
3 nationally recognized statistical rating organization as designated by either the
4 United States Securities and Exchange Commission or the Treasurer;

5 (5) with respect to amounts treated by the Internal Revenue Service
6 as bond sale proceeds only, bonds, notes, or other obligations of investment grade in
7 the highest quality letter and numerical rating by at least one nationally recognized
8 statistical rating organization as designated by the United States Securities and
9 Exchange Commission issued by or on behalf of this or any other state or any agency,
10 department, county, municipal or public corporation, special district, authority, or
11 political subdivision thereof, or in any fund or trust that invests only in securities of
12 the type described in this paragraph;

13 (6) commercial paper that has received the highest letter and
14 numerical rating by at least two nationally recognized statistical rating organizations
15 as designated by the United States Securities and Exchange Commission, provided
16 that such commercial paper may not exceed 10% of the total investments made by the
17 Treasurer under this subsection;

18 (7) money market mutual funds that:

19 (i) are registered with the Securities and Exchange
20 Commission under the Investment Company Act of 1940, 15 U.S.C. § 80a-1 et seq., as
21 amended;

22 (ii) are operated in accordance with Rule 2A-7 of the
23 Investment Company Act of 1940, 17 C.F.R. § 270.2A-7, as amended; and

24 (iii) have received the highest possible rating from at least one
25 nationally recognized statistical rating organization as designated by the United
26 States Securities and Exchange Commission; and

27 (8) any investment portfolio created under the Maryland Local
28 Government Investment Pool defined under Article 95, § 22G of the Code that is
29 administered by the Office of the State Treasurer.

30 (b) The Treasurer may sell, redeem, or exchange an investment or
31 reinvestment made under this section in accordance with the limitations of this
32 section.

33 (c) Subject to § 2-1246 of the State Government Article, the Treasurer shall
34 report by January 3 of each year to the General Assembly on investment activities for
35 unexpended or surplus money over which the Treasurer has custody which have been
36 conducted during the previous fiscal year. At a minimum, the report shall specify for
37 General Fund investments and all other investments:

1 (1) the inventory of investments with maturity dates and the book and
2 market value as of June 30;

3 (2) the net income earned;

4 (3) the percentage share of each category of investment in the
5 portfolio; and

6 (4) any sale of investments prior to the maturity date.

7 (d) An investment made pursuant to this section shall be made:

8 (1) with the care, skill, prudence, and diligence under the
9 circumstances then prevailing that a prudent person acting in a like capacity and
10 familiar with such matters would use in the conduct of an enterprise of a like
11 character and with like aims;

12 (2) in a manner designed to reasonably match the anticipated cash
13 flow of the State so that sufficient funds are available to pay obligations upon proper
14 presentation for payment;

15 (3) so that a reasonable amount of cash or cash equivalents is
16 available for unanticipated cash needs;

17 (4) with due regard for minimizing risk while maximizing return;

18 (5) using competitive purchasing practices except when impractical;

19 (6) in accordance with a written investment policy;

20 (7) so that the securities and collateral may continue to be priced on a
21 market to market basis; and

22 (8) to avoid the enhancement of the personal financial position of the
23 Treasurer or any employee of the Treasurer who has responsibilities for such
24 investments.

25 (E) (1) ~~(I) NOTWITHSTANDING SUBSECTIONS (A) THROUGH (D) OF~~
26 ~~THIS SECTION,~~ CONSISTENT WITH MINORITY BUSINESS PURCHASING
27 STANDARDS APPLICABLE TO UNITS OF STATE GOVERNMENT UNDER THIS
28 ARTICLE AND CONSISTENT WITH THE FIDUCIARY DUTIES OF THE TREASURER,
29 THE TREASURER SHALL ATTEMPT TO USE TO THE GREATEST EXTENT FEASIBLE
30 ~~CERTIFIED~~ MINORITY BUSINESS ENTERPRISES, AS DEFINED IN §
31 ~~14-301 OF THE STATE FINANCE AND PROCUREMENT ARTICLE,~~ FOR
32 BROKERAGE AND INVESTMENT ~~BANKING~~ MANAGEMENT SERVICES UNDER THIS
33 SECTION.

1 **(II) FOR PURPOSES OF THIS SUBSECTION, BROKERAGE AND**
2 **INVESTMENT MANAGEMENT SERVICES SHALL INCLUDE SERVICES RELATING TO**
3 **ALL ALLOCATED ASSET CLASSES AS DESCRIBED IN SUBSECTION (A) OF THIS**
4 **SECTION.**

5 **(2) (I) TO ASSIST THE TREASURER IN ACHIEVING THE GOAL**
6 **DESCRIBED UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE TREASURER**
7 **SHALL UNDERTAKE MEASURES TO REMOVE ANY BARRIERS THAT LIMIT FULL**
8 **PARTICIPATION BY ~~CERTIFIED~~ MINORITY BUSINESS ENTERPRISES IN**
9 **BROKERAGE AND INVESTMENT ~~BANKING~~ MANAGEMENT SERVICE SERVICES**
10 **OPPORTUNITIES AFFORDED UNDER THIS SECTION.**

11 **(II) THE MEASURES UNDERTAKEN BY THE TREASURER**
12 **SHALL INCLUDE THE USE OF A WIDE VARIETY OF MEDIA, INCLUDING THE**
13 **TREASURER'S WEBSITE, TO PROVIDE NOTICE TO A BROAD AND VARIED RANGE**
14 **OF POTENTIAL PROVIDERS ABOUT THE BROKERAGE AND INVESTMENT**
15 **MANAGEMENT SERVICES OPPORTUNITIES AFFORDED BY THE TREASURER.**

16 **(3) IN CONJUNCTION WITH THE GOVERNOR'S OFFICE OF**
17 **~~BUSINESS DIVERSITY~~ MINORITY AFFAIRS, THE TREASURER SHALL DEVELOP**
18 **GUIDELINES TO ASSIST IN ~~ACHIEVING~~ IDENTIFYING AND EVALUATING**
19 **QUALIFIED MINORITY BUSINESS ENTERPRISES IN ORDER TO HELP THE**
20 **TREASURER ACHIEVE THE OBJECTIVE FOR GREATER USE OF ~~CERTIFIED~~**
21 **MINORITY BUSINESS ENTERPRISES FOR BROKERAGE AND INVESTMENT**
22 **~~BANKING~~ MANAGEMENT SERVICES UNDER THIS SECTION.**

23 **(4) ON OR BEFORE SEPTEMBER 1 EACH YEAR, THE TREASURER**
24 **SHALL SUBMIT A REPORT TO THE GOVERNOR'S OFFICE OF ~~BUSINESS~~**
25 **~~DIVERSITY~~ MINORITY AFFAIRS AND, SUBJECT TO § 2-1246 OF THE STATE**
26 **GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON:**

27 **(I) THE IDENTITY OF THE ~~CERTIFIED~~ MINORITY BUSINESS**
28 **ENTERPRISE BROKERAGE AND INVESTMENT ~~BANKING~~ MANAGEMENT SERVICES**
29 **FIRMS USED BY THE TREASURER IN THE IMMEDIATELY PRECEDING FISCAL**
30 **YEAR;**

31 **(II) THE PERCENTAGE AND DOLLAR VALUE OF THE ASSETS**
32 **UNDER THE CUSTODY OF THE TREASURER THAT ARE UNDER THE INVESTMENT**
33 **CONTROL OF ~~CERTIFIED~~ MINORITY BUSINESS ENTERPRISE BROKERAGE AND**
34 **INVESTMENT ~~BANKING~~ MANAGEMENT SERVICES FIRMS; AND**

35 **~~(III) ACTIONS THE TREASURER UNDERTOOK IN THE~~**
36 **~~IMMEDIATELY PRECEDING FISCAL YEAR TO INCREASE THE USE OF CERTIFIED~~**

1 ~~MINORITY BUSINESS ENTERPRISE BROKERAGE AND INVESTMENT BANKING~~
2 ~~FIRMS, INCLUDING ACTIONS TO ENCOURAGE OTHER BROKERAGE AND~~
3 ~~INVESTMENT BANKING FIRMS TO USE CERTIFIED MINORITY BUSINESS~~
4 ~~ENTERPRISE BROKERAGE AND INVESTMENT BANKING FIRMS AS~~
5 ~~SUBCONTRACTORS~~ THE MEASURES THE TREASURER UNDERTOOK IN THE
6 IMMEDIATELY PRECEDING FISCAL YEAR IN ACCORDANCE WITH PARAGRAPH
7 (2)(II) OF THIS SUBSECTION.

8 Article – State Personnel and Pensions

9 21–116.

10 (a) By resolution, the Board of Trustees shall specify the powers of the
11 Investment Committee.

12 (b) The Investment Committee shall advise the Board of Trustees and make
13 recommendations on:

14 (1) the investment programs;

15 (2) compliance of the investment programs with the policies of the
16 Board of Trustees; and

17 (3) bonding for employees of the State Retirement Agency in the form
18 and amount required by law.

19 (c) (1) **[The] SUBJECT TO SUBSECTION (D) OF THIS SECTION, THE**
20 Board of Trustees shall adopt an investment policy manual that details:

21 (i) the functions of the Investment Division of the State
22 Retirement Agency;

23 (ii) the goals and objectives of the several investment programs;
24 and

25 (iii) the policies that govern the selection and retention of
26 investments.

27 (2) The Investment Committee shall:

28 (i) prepare and maintain the investment policy manual; and

29 (ii) submit the investment policy manual, and any subsequent
30 amendments to the manual, to the Board of Trustees for approval.

1 (D) (1) (I) ~~THE~~ CONSISTENT WITH MINORITY BUSINESS
2 PURCHASING STANDARDS APPLICABLE TO UNITS OF STATE GOVERNMENT
3 UNDER THE STATE FINANCE AND PROCUREMENT ARTICLE AND CONSISTENT
4 WITH THE FIDUCIARY DUTIES OF THE BOARD OF TRUSTEES, THE BOARD OF
5 TRUSTEES SHALL DIRECT THE INVESTMENT COMMITTEE TO ATTEMPT TO USE
6 TO THE GREATEST EXTENT FEASIBLE ~~CERTIFIED~~ MINORITY BUSINESS
7 ENTERPRISES, AS DEFINED IN § 14-301 OF THE STATE FINANCE AND
8 PROCUREMENT ARTICLE, TO PROVIDE BROKERAGE AND INVESTMENT ~~BANKING~~
9 MANAGEMENT SERVICES TO THE BOARD.

10 (II) FOR PURPOSES OF THIS SUBSECTION, BROKERAGE AND
11 INVESTMENT MANAGEMENT SERVICES SHALL INCLUDE SERVICES RELATING TO
12 ALL ALLOCATED ASSET CLASSES.

13 (2) (I) TO ASSIST IT IN ACHIEVING THE GOAL DESCRIBED
14 UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE INVESTMENT COMMITTEE
15 SHALL UNDERTAKE MEASURES TO REMOVE ANY BARRIERS THAT LIMIT FULL
16 PARTICIPATION BY ~~CERTIFIED~~ MINORITY BUSINESS ENTERPRISES IN
17 BROKERAGE AND INVESTMENT ~~BANKING~~ MANAGEMENT ~~SERVICE~~ SERVICES
18 OPPORTUNITIES AFFORDED UNDER THIS TITLE.

19 (II) THE MEASURES UNDERTAKEN BY THE INVESTMENT
20 COMMITTEE SHALL INCLUDE THE USE OF A WIDE VARIETY OF MEDIA,
21 INCLUDING THE STATE RETIREMENT AGENCY'S WEBSITE, TO PROVIDE NOTICE
22 TO A BROAD AND VARIED RANGE OF POTENTIAL PROVIDERS ABOUT THE
23 BROKERAGE AND INVESTMENT MANAGEMENT SERVICES OPPORTUNITIES
24 AFFORDED BY THE STATE RETIREMENT AGENCY.

25 (3) IN CONSULTATION WITH THE GOVERNOR'S OFFICE OF
26 ~~BUSINESS DIVERSITY~~ MINORITY AFFAIRS AND THE INVESTMENT COMMITTEE,
27 THE BOARD OF TRUSTEES SHALL DEVELOP GUIDELINES TO ASSIST THE
28 INVESTMENT COMMITTEE IN ~~ACHIEVING~~ IDENTIFYING AND EVALUATING
29 QUALIFIED MINORITY BUSINESS ENTERPRISES IN ORDER TO HELP THE STATE
30 RETIREMENT AGENCY ACHIEVE THE OBJECTIVE FOR GREATER USE OF
31 ~~CERTIFIED~~ MINORITY BUSINESS ENTERPRISES FOR BROKERAGE AND
32 INVESTMENT ~~BANKING~~ MANAGEMENT SERVICES.

33 (4) ON OR BEFORE SEPTEMBER 1 EACH YEAR, THE INVESTMENT
34 COMMITTEE SHALL SUBMIT A REPORT TO THE BOARD OF TRUSTEES, THE
35 GOVERNOR'S OFFICE OF ~~BUSINESS DIVERSITY~~ MINORITY AFFAIRS AND,
36 SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL
37 ASSEMBLY ON:

1 (I) THE IDENTITY OF THE ~~CERTIFIED~~ MINORITY BUSINESS
2 ENTERPRISE BROKERAGE AND INVESTMENT ~~BANKING~~ MANAGEMENT SERVICES
3 FIRMS USED BY THE INVESTMENT COMMITTEE IN THE IMMEDIATELY
4 PRECEDING FISCAL YEAR;

5 (II) THE PERCENTAGE AND DOLLAR VALUE OF THE ASSETS
6 THAT ARE UNDER THE CONTROL OF THE INVESTMENT ~~DIVISION~~ COMMITTEE
7 THAT ARE UNDER THE INVESTMENT CONTROL OF ~~CERTIFIED~~ MINORITY
8 BUSINESS ENTERPRISE BROKERAGE AND INVESTMENT ~~BANKING~~ MANAGEMENT
9 SERVICES FIRMS; AND

10 (III) ~~ACTIONS THE INVESTMENT COMMITTEE UNDERTOOK IN~~
11 ~~THE IMMEDIATELY PRECEDING FISCAL YEAR TO INCREASE THE USE OF~~
12 ~~CERTIFIED MINORITY BUSINESS ENTERPRISE BROKERAGE AND INVESTMENT~~
13 ~~BANKING FIRMS, INCLUDING ACTIONS TO ENCOURAGE OTHER BROKERAGE AND~~
14 ~~INVESTMENT BANKING FIRMS TO USE CERTIFIED MINORITY BUSINESS~~
15 ~~ENTERPRISE BROKERAGE AND INVESTMENT BANKING FIRMS AS~~
16 ~~SUBCONTRACTORS~~ THE MEASURES THE INVESTMENT COMMITTEE UNDERTOOK
17 IN THE IMMEDIATELY PRECEDING FISCAL YEAR IN ACCORDANCE WITH
18 PARAGRAPH (2)(II) OF THIS SUBSECTION.

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 October 1, 2008.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.