

HOUSE BILL 1277

P1, P2, P3

8lr3084
CF SB 606

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**

Introduced and read first time: February 8, 2008
Assigned to: Health and Government Operations

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 18, 2008

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
12 certain guidelines; requiring the entities to submit a certain annual report to
13 certain persons on certain matters relating to ~~certified~~ minority business
14 enterprise brokerage and investment ~~banking~~ management services firms; and
15 generally relating to the use of ~~certified~~ minority business enterprise brokerage
16 and investment ~~banking~~ management services firms for certain purposes by
17 certain State entities.

18 BY repealing and reenacting, without amendments,
19 Article 95 – Treasurer
20 Section 22G(a), (b), (h), and (j)
21 Annotated Code of Maryland

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.



1 (2003 Replacement Volume and 2007 Supplement)

2 BY repealing and reenacting, with amendments,
3 Article – Insurance
4 Section 20–303
5 Annotated Code of Maryland
6 (2006 Replacement Volume and 2007 Supplement)

7 BY repealing and reenacting, with amendments,
8 Article – Labor and Employment
9 Section 10–122
10 Annotated Code of Maryland
11 (1999 Replacement Volume and 2007 Supplement)

12 BY repealing and reenacting, with amendments,
13 Article – State Finance and Procurement
14 Section 6–222
15 Annotated Code of Maryland
16 (2006 Replacement Volume and 2007 Supplement)

17 BY repealing and reenacting, with amendments,
18 Article – State Personnel and Pensions
19 Section 21–116
20 Annotated Code of Maryland
21 (2004 Replacement Volume and 2007 Supplement)

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

24 **Article 95 – Treasurer**

25 22G.

26 (a) (1) There is a Local Government Investment Pool. The Local
27 Government Investment Pool consists of the aggregate of all funds from local
28 governments that are placed in the custody of the State and any funds of the State
29 that are placed in the Local Government Investment Pool by the Treasurer for
30 investment and reinvestment.

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

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

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

1 (i) Specification of minimum amounts which may be deposited
2 in the Pool and minimum periods of time for which deposits shall be retained in the
3 Pool;

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

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

10 (b) (1) The Treasurer shall invest moneys in the Local Government
11 Investment Pool in accordance with the provisions set forth in §§ 6–222 and 6–223 of
12 the State Finance and Procurement Article.

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

17 (h) (1) Subject to the objectives and requirements of this section, the
18 Treasurer shall formulate procedures for the investment and reinvestment of funds in
19 the Investment Pool and the acquisition, retention, management, and disposition of
20 investments of the Investment Pool.

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

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

25 (j) For the purposes of this section, "local government" includes all of the
26 legal entities, bodies, and agencies set out in § 22 of this article and local government
27 insurance pools formed under Title 19, Subtitle 6 of the Insurance Article, but does not
28 include the State and agencies of the State.

29 **Article – Insurance**

30 20–303.

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

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

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

5 (i) one shall be chosen from the members appointed by the
6 Governor; and

7 (ii) one shall be chosen from the members appointed by the
8 Association.

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

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

17 (c) (1) **(I) ~~THE~~ CONSISTENT WITH MINORITY BUSINESS**
18 **PURCHASING STANDARDS APPLICABLE TO UNITS OF STATE GOVERNMENT**
19 **UNDER THE STATE FINANCE AND PROCUREMENT ARTICLE AND CONSISTENT**
20 **WITH THE FIDUCIARY DUTIES OF THE FINANCIAL MANAGEMENT COMMITTEE,**
21 **THE FINANCIAL MANAGEMENT COMMITTEE SHALL ATTEMPT TO USE TO THE**
22 **GREATEST EXTENT FEASIBLE ~~CERTIFIED~~ MINORITY BUSINESS ENTERPRISES, AS**
23 **DEFINED IN § 14-301 OF THE STATE FINANCE AND PROCUREMENT ARTICLE,**
24 **TO PROVIDE BROKERAGE AND INVESTMENT ~~BANKING~~ MANAGEMENT SERVICES**
25 **TO THE COMMITTEE.**

26 **(II) FOR PURPOSES OF THIS SUBSECTION, BROKERAGE AND**
27 **INVESTMENT MANAGEMENT SERVICES SHALL INCLUDE SERVICES RELATING TO**
28 **ALL ALLOCATED ASSET CLASSES.**

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

35 **(II) THE MEASURES UNDERTAKEN BY THE FINANCIAL**
36 **MANAGEMENT COMMITTEE SHALL INCLUDE THE USE OF A WIDE VARIETY OF**
37 **MEDIA, INCLUDING THE FUND'S WEBSITE, TO PROVIDE NOTICE TO A BROAD AND**

1 VARIED RANGE OF POTENTIAL PROVIDERS ABOUT THE BROKERAGE AND
 2 INVESTMENT MANAGEMENT SERVICES OPPORTUNITIES AFFORDED BY THE
 3 FUND.

4 (3) IN CONJUNCTION WITH THE GOVERNOR'S OFFICE OF
 5 ~~BUSINESS DIVERSITY~~ MINORITY AFFAIRS, THE FINANCIAL MANAGEMENT
 6 COMMITTEE SHALL DEVELOP GUIDELINES TO ASSIST THE COMMITTEE IN
 7 ~~ACHIEVING~~ IDENTIFYING AND EVALUATING QUALIFIED MINORITY BUSINESS
 8 ENTERPRISES IN ORDER TO HELP THE FUND ACHIEVE THE OBJECTIVE FOR
 9 GREATER USE OF ~~CERTIFIED~~ MINORITY BUSINESS ENTERPRISES FOR
 10 BROKERAGE AND INVESTMENT ~~BANKING~~ MANAGEMENT SERVICES.

11 (4) ON OR BEFORE SEPTEMBER 1 EACH YEAR, THE FINANCIAL
 12 MANAGEMENT COMMITTEE SHALL SUBMIT A REPORT TO THE GOVERNOR'S
 13 OFFICE OF ~~BUSINESS DIVERSITY~~ MINORITY AFFAIRS AND, SUBJECT TO §
 14 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON:

15 (I) THE IDENTITY OF THE ~~CERTIFIED~~ MINORITY BUSINESS
 16 ENTERPRISE BROKERAGE AND INVESTMENT ~~BANKING~~ MANAGEMENT SERVICES
 17 FIRMS USED BY THE FINANCIAL MANAGEMENT COMMITTEE IN THE
 18 IMMEDIATELY PRECEDING FISCAL YEAR;

19 (II) THE PERCENTAGE AND DOLLAR VALUE OF THE FUND
 20 ASSETS THAT ARE UNDER THE INVESTMENT CONTROL OF ~~CERTIFIED~~ MINORITY
 21 BUSINESS ENTERPRISE BROKERAGE AND INVESTMENT ~~BANKING~~ MANAGEMENT
 22 SERVICES FIRMS; AND

23 (III) ~~ACTIONS THE COMMITTEE UNDERTOOK IN THE~~
 24 ~~IMMEDIATELY PRECEDING FISCAL YEAR TO INCREASE THE USE OF CERTIFIED~~
 25 ~~MINORITY BUSINESS ENTERPRISE BROKERAGE AND INVESTMENT BANKING~~
 26 ~~FIRMS, INCLUDING ACTIONS TO ENCOURAGE OTHER BROKERAGE AND~~
 27 ~~INVESTMENT BANKING FIRMS TO USE CERTIFIED MINORITY BUSINESS~~
 28 ~~ENTERPRISE BROKERAGE AND INVESTMENT BANKING FIRMS AS~~
 29 ~~SUBCONTRACTORS~~ THE MEASURES THE FINANCIAL MANAGEMENT COMMITTEE
 30 UNDERTOOK IN THE IMMEDIATELY PRECEDING FISCAL YEAR IN ACCORDANCE
 31 WITH PARAGRAPH (2)(II) OF THIS SUBSECTION.

32 Article - Labor and Employment

33 10-122.

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

1 **(B) (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, THE BOARD SHALL ATTEMPT TO**
 5 **USE TO THE GREATEST EXTENT FEASIBLE ~~CERTIFIED~~ MINORITY BUSINESS**
 6 **ENTERPRISES, AS DEFINED IN § 14-301 OF THE STATE FINANCE AND**
 7 **~~PROCUREMENT ARTICLE~~, TO PROVIDE BROKERAGE AND INVESTMENT ~~BANKING~~**
 8 **MANAGEMENT SERVICES TO THE BOARD.**

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

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

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

23 **(3) IN CONJUNCTION WITH THE GOVERNOR'S OFFICE OF**
 24 **~~BUSINESS DIVERSITY~~ MINORITY AFFAIRS, THE BOARD SHALL DEVELOP**
 25 **GUIDELINES TO ASSIST IT IN ~~ACHIEVING~~ IDENTIFYING AND EVALUATING**
 26 **QUALIFIED MINORITY BUSINESS ENTERPRISES IN ORDER TO HELP THE FUND**
 27 **ACHIEVE THE OBJECTIVE FOR GREATER USE OF ~~CERTIFIED~~ MINORITY**
 28 **BUSINESS ENTERPRISES FOR BROKERAGE AND INVESTMENT ~~BANKING~~**
 29 **MANAGEMENT SERVICES.**

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

34 **(I) THE IDENTITY OF THE ~~CERTIFIED~~ MINORITY BUSINESS**
 35 **ENTERPRISE BROKERAGE AND INVESTMENT ~~BANKING~~ MANAGEMENT SERVICES**
 36 **FIRMS USED BY THE BOARD IN THE IMMEDIATELY PRECEDING FISCAL YEAR;**

1 (II) THE PERCENTAGE AND DOLLAR VALUE OF THE FUND
2 ASSETS THAT ARE UNDER THE INVESTMENT CONTROL OF ~~CERTIFIED~~ MINORITY
3 BUSINESS ENTERPRISE BROKERAGE AND INVESTMENT ~~BANKING~~ MANAGEMENT
4 SERVICES FIRMS; AND

5 (III) ~~ACTIONS THE BOARD UNDERTOOK IN THE~~
6 ~~IMMEDIATELY PRECEDING FISCAL YEAR TO INCREASE THE USE OF CERTIFIED~~
7 ~~MINORITY BUSINESS ENTERPRISE BROKERAGE AND INVESTMENT BANKING~~
8 ~~FIRMS, INCLUDING ACTIONS TO ENCOURAGE OTHER BROKERAGE AND~~
9 ~~INVESTMENT BANKING FIRMS TO USE CERTIFIED MINORITY BUSINESS~~
10 ~~ENTERPRISE BROKERAGE AND INVESTMENT BANKING FIRMS AS~~
11 ~~SUBCONTRACTORS~~ THE MEASURES THE BOARD UNDERTOOK IN THE
12 IMMEDIATELY PRECEDING FISCAL YEAR IN ACCORDANCE WITH PARAGRAPH
13 (2)(II) OF THIS SUBSECTION.

14 **Article - State Finance and Procurement**

15 6-222.

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

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

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

22 (3) a repurchase agreement collateralized in an amount not less than
23 102% of the principal amount by an obligation of the United States, its agencies or
24 instrumentalities, provided the collateral is held by a custodian other than the seller
25 designated by the buyer;

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

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

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

6 (7) money market mutual funds that:

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

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

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

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

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

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

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

28 (2) the net income earned;

29 (3) the percentage share of each category of investment in the
30 portfolio; and

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

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

33 (1) with the care, skill, prudence, and diligence under the
34 circumstances then prevailing that a prudent person acting in a like capacity and

1 familiar with such matters would use in the conduct of an enterprise of a like
2 character and with like aims;

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

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

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

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

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

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

13 (8) to avoid the enhancement of the personal financial position of the
14 Treasurer or any employee of the Treasurer who has responsibilities for such
15 investments.

16 (E) (1) ~~(I) NOTWITHSTANDING SUBSECTIONS (A) THROUGH (D) OF~~
17 ~~THIS SECTION, CONSISTENT WITH MINORITY BUSINESS PURCHASING~~
18 ~~STANDARDS APPLICABLE TO UNITS OF STATE GOVERNMENT UNDER THIS~~
19 ~~ARTICLE AND CONSISTENT WITH THE FIDUCIARY DUTIES OF THE TREASURER,~~
20 ~~THE TREASURER SHALL ATTEMPT TO USE TO THE GREATEST EXTENT FEASIBLE~~
21 ~~CERTIFIED MINORITY BUSINESS ENTERPRISES, AS DEFINED IN §~~
22 ~~14-301 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, FOR~~
23 ~~BROKERAGE AND INVESTMENT BANKING MANAGEMENT SERVICES UNDER THIS~~
24 ~~SECTION.~~

25 (II) FOR PURPOSES OF THIS SUBSECTION, BROKERAGE AND
26 INVESTMENT MANAGEMENT SERVICES SHALL INCLUDE SERVICES RELATING TO
27 ALL ALLOCATED ASSET CLASSES AS DESCRIBED IN SUBSECTION (A) OF THIS
28 SECTION.

29 (2) (I) TO ASSIST THE TREASURER IN ACHIEVING THE GOAL
30 DESCRIBED UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE TREASURER
31 SHALL UNDERTAKE MEASURES TO REMOVE ANY BARRIERS THAT LIMIT FULL
32 PARTICIPATION BY CERTIFIED MINORITY BUSINESS ENTERPRISES IN
33 BROKERAGE AND INVESTMENT BANKING MANAGEMENT SERVICE SERVICES
34 OPPORTUNITIES AFFORDED UNDER THIS SECTION.

1 **(II) THE MEASURES UNDERTAKEN BY THE TREASURER**
 2 **SHALL INCLUDE THE USE OF A WIDE VARIETY OF MEDIA, INCLUDING THE**
 3 **TREASURER'S WEBSITE, TO PROVIDE NOTICE TO A BROAD AND VARIED RANGE**
 4 **OF POTENTIAL PROVIDERS ABOUT THE BROKERAGE AND INVESTMENT**
 5 **MANAGEMENT SERVICES OPPORTUNITIES AFFORDED BY THE TREASURER.**

6 **(3) IN CONJUNCTION WITH THE GOVERNOR'S OFFICE OF**
 7 **~~BUSINESS DIVERSITY~~ MINORITY AFFAIRS, THE TREASURER SHALL DEVELOP**
 8 **GUIDELINES TO ASSIST IN ~~ACHIEVING~~ IDENTIFYING AND EVALUATING**
 9 **QUALIFIED MINORITY BUSINESS ENTERPRISES IN ORDER TO HELP THE**
 10 **TREASURER ACHIEVE THE OBJECTIVE FOR GREATER USE OF ~~CERTIFIED~~**
 11 **MINORITY BUSINESS ENTERPRISES FOR BROKERAGE AND INVESTMENT**
 12 **~~BANKING~~ MANAGEMENT SERVICES UNDER THIS SECTION.**

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

17 **(I) THE IDENTITY OF THE ~~CERTIFIED~~ MINORITY BUSINESS**
 18 **ENTERPRISE BROKERAGE AND INVESTMENT ~~BANKING~~ MANAGEMENT SERVICES**
 19 **FIRMS USED BY THE TREASURER IN THE IMMEDIATELY PRECEDING FISCAL**
 20 **YEAR;**

21 **(II) THE PERCENTAGE AND DOLLAR VALUE OF THE ASSETS**
 22 **UNDER THE CUSTODY OF THE TREASURER THAT ARE UNDER THE INVESTMENT**
 23 **CONTROL OF ~~CERTIFIED~~ MINORITY BUSINESS ENTERPRISE BROKERAGE AND**
 24 **INVESTMENT ~~BANKING~~ MANAGEMENT SERVICES FIRMS; AND**

25 **~~(III) ACTIONS THE TREASURER UNDERTOOK IN THE~~**
 26 **~~IMMEDIATELY PRECEDING FISCAL YEAR TO INCREASE THE USE OF CERTIFIED~~**
 27 **~~MINORITY BUSINESS ENTERPRISE BROKERAGE AND INVESTMENT BANKING~~**
 28 **~~FIRMS, INCLUDING ACTIONS TO ENCOURAGE OTHER BROKERAGE AND~~**
 29 **~~INVESTMENT BANKING FIRMS TO USE CERTIFIED MINORITY BUSINESS~~**
 30 **~~ENTERPRISE BROKERAGE AND INVESTMENT BANKING FIRMS AS~~**
 31 **~~SUBCONTRACTORS~~ THE MEASURES THE TREASURER UNDERTOOK IN THE**
 32 **IMMEDIATELY PRECEDING FISCAL YEAR IN ACCORDANCE WITH PARAGRAPH**
 33 **(2)(II) OF THIS SUBSECTION.**

34 **Article – State Personnel and Pensions**

35 21-116.

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

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

3 (1) the investment programs;

4 (2) compliance of the investment programs with the policies of the
5 Board of Trustees; and

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

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

10 (i) the functions of the Investment Division of the State
11 Retirement Agency;

12 (ii) the goals and objectives of the several investment programs;
13 and

14 (iii) the policies that govern the selection and retention of
15 investments.

16 (2) The Investment Committee shall:

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

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

20 **(D) (1) (I) ~~THE~~ CONSISTENT WITH MINORITY BUSINESS**
21 **PURCHASING STANDARDS APPLICABLE TO UNITS OF STATE GOVERNMENT**
22 **UNDER THE STATE FINANCE AND PROCUREMENT ARTICLE AND CONSISTENT**
23 **WITH THE FIDUCIARY DUTIES OF THE BOARD OF TRUSTEES, THE BOARD OF**
24 **TRUSTEES SHALL DIRECT THE INVESTMENT COMMITTEE TO ATTEMPT TO USE**
25 **TO THE GREATEST EXTENT FEASIBLE ~~CERTIFIED~~ MINORITY BUSINESS**
26 **ENTERPRISES, AS DEFINED IN § 14 301 OF THE STATE FINANCE AND**
27 **PROCUREMENT ARTICLE, TO PROVIDE BROKERAGE AND INVESTMENT BANKING**
28 **MANAGEMENT SERVICES TO THE BOARD.**

29 **(II) FOR PURPOSES OF THIS SUBSECTION, BROKERAGE AND**
30 **INVESTMENT MANAGEMENT SERVICES SHALL INCLUDE SERVICES RELATING TO**
31 **ALL ALLOCATED ASSET CLASSES.**

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

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

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

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

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

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

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

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

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

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.