

# HOUSE BILL 448

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CF SB 178

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By: **Delegate Griffith (Chair, Joint Committee on Pensions) and Delegates  
Aumann, Bates, Branch, Conway, Haynes, Heller, James, and Levy**

Introduced and read first time: February 4, 2009

Assigned to: Appropriations

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 24, 2009

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **State Retirement and Pension System – ~~Investment Manager Service Fees~~**  
3 **Investments**

4 FOR the purpose of authorizing the Chief Investment Officer for the State Retirement  
5 and Pension System to select and invest in certain investment vehicles on  
6 behalf of the State Retirement and Pension System; providing that certain  
7 external investment managers for the State Retirement System shall be  
8 selected by the Chief Investment Officer; increasing certain limitations on  
9 certain fees paid by the Board of Trustees to certain investment managers; and  
10 generally relating to ~~investment manager service fees~~ investments for the State  
11 Retirement and Pension System.

12 BY repealing and reenacting, with amendments,  
13 Article – State Personnel and Pensions  
14 Section 21–122(d), 21–123(g), and 21–315(d)  
15 Annotated Code of Maryland  
16 (2004 Replacement Volume and 2008 Supplement)

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

19 **Article – State Personnel and Pensions**

20 21–122.

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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 (d) [The] ON BEHALF OF THE SEVERAL SYSTEMS, THE Chief Investment  
 2 Officer:

3 (1) may hire external investment managers to invest the assets of the  
 4 several systems; [and]

5 (2) MAY SELECT AND INVEST IN SPECIFIC INVESTMENT  
 6 VEHICLES, INCLUDING LIMITED PARTNERSHIPS, PRIVATE EQUITY FUND  
 7 INVESTMENTS, AND PRIVATE REAL ESTATE FUND INVESTMENTS; AND

8 (3) may terminate the appointment of an external investment  
 9 manager.

10 21-123.

11 (g) Any direct owned real estate purchased as an investment by the State  
 12 Retirement and Pension System shall be managed by an external investment manager  
 13 selected by the [Board of Trustees] CHIEF INVESTMENT OFFICER.

14 21-315.

15 (d) (1) Each quarter of the fiscal year the Board of Trustees shall estimate  
 16 one-fourth of an amount, not exceeding [0.3%]**0.5%** of the market value as of the last  
 17 day of the preceding quarter of invested assets that are externally managed exclusive  
 18 of assets invested in real estate or alternative investments, necessary to procure and  
 19 retain investment management services other than external real estate or alternative  
 20 investment management services.

21 (2) The Board of Trustees is not limited in the amount of investment  
 22 manager fees that the Board of Trustees may pay as necessary for external real estate  
 23 or alternative investment management services.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
 25 July 1, 2009.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.