

SENATE BILL 1018

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By: **Senator Garagiola**

Introduced and read first time: March 4, 2009

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **State Retirement and Pension System – Investments – Qualified Technology**
3 **or Bioscience Businesses**

4 FOR the purpose of requiring the Board of Trustees of the State Retirement and
5 Pension System to invest a certain amount of the assets of the several systems
6 in certain types of businesses; defining a certain term; and generally relating to
7 the Board of Trustees investing the assets of the several systems in qualified
8 technology or bioscience businesses.

9 BY repealing and reenacting, with amendments,
10 Article – State Personnel and Pensions
11 Section 21–123(c)
12 Annotated Code of Maryland
13 (2004 Replacement Volume and 2008 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 21–123.

18 (c) (1) IN THIS SUBSECTION, “QUALIFIED TECHNOLOGY OR
19 BIOSCIENCE BUSINESS” MEANS A BUSINESS THAT:

20 (I) 1. A. IS HEADQUARTERED IN THE STATE AND
21 INTENDS TO REMAIN IN THE STATE AFTER RECEIPT OF THE INVESTMENT, OR IS
22 HEADQUARTERED IN ANOTHER STATE AND INTENDS TO RELOCATE ITS
23 HEADQUARTERS TO THE STATE AFTER RECEIPT OF THE INVESTMENT; AND

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **B. HAS ITS PRINCIPAL BUSINESS OPERATIONS**
2 **LOCATED IN THE STATE AND INTENDS TO MAINTAIN BUSINESS OPERATIONS IN**
3 **THE STATE AFTER RECEIPT OF THE INVESTMENT, OR HAS ITS PRINCIPAL**
4 **BUSINESS OPERATIONS LOCATED IN ANOTHER STATE AND INTENDS TO**
5 **RELOCATE BUSINESS OPERATIONS TO THE STATE WITHIN 90 DAYS AFTER**
6 **RECEIPT OF THE INVESTMENT; OR**

7 **2. IS A SUBSIDIARY IN THE STATE OF A COMPANY**
8 **HEADQUARTERED OUTSIDE THE UNITED STATES;**

9 **(II) HAS AGREED TO USE THE QUALIFIED INVESTMENT**
10 **PRIMARILY TO:**

11 **1. SUPPORT BUSINESS OPERATIONS IN THE STATE;**
12 **OR**

13 **2. IN THE CASE OF A START-UP COMPANY,**
14 **ESTABLISH AND SUPPORT BUSINESS OPERATIONS IN THE STATE;**

15 **(III) DOES NOT HAVE MORE THAN 100 EMPLOYEES AND:**

16 **1. EMPLOYS AT LEAST 80% OF ITS EMPLOYEES IN**
17 **THE STATE; OR**

18 **2. PAYS AT LEAST 80% OF ITS PAYROLL TO**
19 **EMPLOYEES IN THE STATE;**

20 **(IV) IS PRIMARILY ENGAGED IN:**

21 **1. MANUFACTURING, PROCESSING, OR ASSEMBLING**
22 **TECHNOLOGY OR BIOSCIENCE PRODUCTS;**

23 **2. CONDUCTING TECHNOLOGICAL OR BIOSCIENCE**
24 **RESEARCH AND DEVELOPMENT; OR**

25 **3. PROVIDING TECHNOLOGY OR**
26 **BIOSCIENCE-RELATED SERVICES; AND**

27 **(V) IS NOT PRIMARILY ENGAGED IN:**

28 **1. RETAIL SALES;**

29 **2. REAL ESTATE DEVELOPMENT;**

1 **3. THE BUSINESS OF INSURANCE, BANKING, OR**
2 **LENDING; OR**

3 **4. THE PROVISION OF PROFESSIONAL SERVICES**
4 **PROVIDED BY ACCOUNTANTS, ATTORNEYS, OR PHYSICIANS.**

5 [(1)](2) [The] **EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS**
6 **SUBSECTION, THE** Board of Trustees may invest assets of the several systems subject
7 to the conditions that it imposes.

8 **(3) THE BOARD OF TRUSTEES SHALL INVEST IN QUALIFIED**
9 **TECHNOLOGY OR BIOSCIENCE BUSINESSES, THE GREATER OF:**

10 **(I) 0.5% OF THE ASSETS OF THE SEVERAL SYSTEMS; OR**

11 **(II) \$20,000,000.**

12 [(2)](3) The Board of Trustees shall include the conditions that it
13 adopts under [paragraph (1) of] this subsection in the investment policy manual
14 required by § 21–116(c) of this subtitle.

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