

CHAPTER 393

(House Bill 448)

AN ACT concerning

State Retirement and Pension System - ~~Investment Manager Service Fees~~ Investments

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

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

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

Article – State Personnel and Pensions

21-122.

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

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

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

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

21-123.

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

21-315.

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

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

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

Approved by the Governor, May 7, 2009.