

Chapter 488

(Senate Bill 343)

AN ACT concerning

State Government – Brokerage and Investment Management Services – Use of Minority Business Enterprises – Application

FOR the purpose of making certain additional State units that are responsible for the management of certain funds subject to the requirements under current law that are already applicable to certain units concerning the use of certain minority business enterprise brokerage and investment services firms; specifying that a certain annual report that must be submitted to the Governor and the General Assembly by all of the units that are subject to the minority business enterprise brokerage and investment services firm requirements include diversity information concerning brokerage and investment management services firms in all allocated asset classes; and generally relating to the use of minority business enterprise brokerage and investment management services firms for certain purposes by certain State units.

BY repealing and reenacting, without amendments,
Article 95 – Treasurer
Section 22G(a), (b), (h), and (j)
Annotated Code of Maryland
(2010 Replacement Volume and 2011 Supplement)

BY repealing and reenacting, without amendments,
Article – Economic Development
Section 14–102
Annotated Code of Maryland
(2008 Volume and 2011 Supplement)

BY adding to
Article – Economic Development
Section 14–103
Annotated Code of Maryland
(2008 Volume and 2011 Supplement)

BY repealing and reenacting, with amendments,
Article – Economic Development
Section 14–103
Annotated Code of Maryland
(2008 Volume and 2011 Supplement)

BY adding to

Article – Education

Section 11–1001 and the new subtitle “Subtitle ~~11~~ 10. Use of Minority Business Enterprises for Brokerage and Investment Management Services”

Annotated Code of Maryland

(2008 Replacement Volume and 2011 Supplement)

BY adding to

Article – Housing and Community Development

Section 4–501.1

Annotated Code of Maryland

(2006 Volume and 2011 Supplement)

BY repealing and reenacting, with amendments,

Article – Insurance

Section 20–303

Annotated Code of Maryland

(2011 Replacement Volume)

BY repealing and reenacting, with amendments,

Article – Labor and Employment

Section 10–122

Annotated Code of Maryland

(2008 Replacement Volume and 2011 Supplement)

BY repealing and reenacting, with amendments,

Article – State Finance and Procurement

Section 6–222

Annotated Code of Maryland

(2009 Replacement Volume and 2011 Supplement)

~~BY adding~~

~~Article – State Finance and Procurement~~

~~Section 14–306~~

~~Annotated Code of Maryland~~

~~(2009 Replacement Volume and 2011 Supplement)~~

BY repealing and reenacting, with amendments,

Article – State Personnel and Pensions

Section 21–116

Annotated Code of Maryland

(2009 Replacement Volume and 2011 Supplement)

BY repealing and reenacting, with amendments,

Article – State Personnel and Pensions

Section 35–302

Annotated Code of Maryland
(2009 Replacement Volume and 2011 Supplement)

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

Article 95 – Treasurer

22G.

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

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

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

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

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

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

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

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

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

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

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

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

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

Article – Economic Development

14–102.

The Department, the Maryland State Office of Minority Business Enterprise, the Division of Labor and Industry of the Department of Labor, Licensing, and Regulation, and the Public Service Commission shall summarize their efforts to promote the policies related to broadening the ownership of capital in their respective annual reports as required by law.

14–103.

(A) THE DEPARTMENT SHALL ATTEMPT TO USE TO THE GREATEST EXTENT FEASIBLE MINORITY BUSINESS ENTERPRISES TO PROVIDE BROKERAGE AND INVESTMENT MANAGEMENT SERVICES FOR ANY FUND ESTABLISHED UNDER THIS ARTICLE CONSISTENT WITH MINORITY BUSINESS PURCHASING STANDARDS APPLICABLE TO UNITS OF STATE GOVERNMENT UNDER THE STATE FINANCE AND PROCUREMENT ARTICLE AND CONSISTENT WITH THE FIDUCIARY DUTIES OF THE DEPARTMENT.

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

(C) (1) TO ASSIST THE DEPARTMENT IN ACHIEVING THE GOAL DESCRIBED UNDER SUBSECTION (A) OF THIS SECTION, THE DEPARTMENT SHALL UNDERTAKE MEASURES TO REMOVE ANY BARRIERS THAT LIMIT FULL PARTICIPATION BY MINORITY BUSINESS ENTERPRISES IN BROKERAGE AND

INVESTMENT MANAGEMENT SERVICES OPPORTUNITIES AFFORDED BY ANY FUND ESTABLISHED UNDER THIS ARTICLE.

(2) THE MEASURES UNDERTAKEN BY THE DEPARTMENT SHALL INCLUDE THE USE OF A WIDE VARIETY OF MEDIA, INCLUDING THE DEPARTMENT'S WEB SITE, TO PROVIDE NOTICE TO A BROAD AND VARIED RANGE OF POTENTIAL PROVIDERS ABOUT THE BROKERAGE AND INVESTMENT MANAGEMENT SERVICES OPPORTUNITIES AFFORDED UNDER THIS ARTICLE.

(D) IN CONJUNCTION WITH THE GOVERNOR'S OFFICE OF MINORITY AFFAIRS, THE DEPARTMENT SHALL DEVELOP GUIDELINES TO ASSIST IT IN IDENTIFYING AND EVALUATING QUALIFIED MINORITY BUSINESS ENTERPRISES IN ORDER TO HELP IT ACHIEVE THE OBJECTIVE FOR GREATER USE OF MINORITY BUSINESS ENTERPRISES FOR BROKERAGE AND INVESTMENT MANAGEMENT SERVICES UNDER THIS ARTICLE.

(E) ON OR BEFORE SEPTEMBER 1 EACH YEAR, THE DEPARTMENT SHALL SUBMIT A REPORT TO THE GOVERNOR'S OFFICE OF MINORITY AFFAIRS AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON:

(1) THE IDENTITY OF THE MINORITY BUSINESS ENTERPRISE BROKERAGE AND INVESTMENT MANAGEMENT SERVICES FIRMS USED BY ANY FUND ESTABLISHED UNDER THIS ARTICLE IN THE IMMEDIATELY PRECEDING FISCAL YEAR;

(2) THE PERCENTAGE AND DOLLAR VALUE OF THE ASSETS UNDER THE CUSTODY OF EACH ENTITY THAT ARE UNDER THE INVESTMENT CONTROL OF MINORITY BUSINESS ENTERPRISE BROKERAGE AND INVESTMENT MANAGEMENT SERVICES FIRMS IN EACH ALLOCATED ASSET CLASS; AND

(3) THE MEASURES THE ENTITY UNDERTOOK IN THE IMMEDIATELY PRECEDING FISCAL YEAR IN ACCORDANCE WITH SUBSECTION (C)(2) OF THIS SECTION.

[14-103.] 14-104.

This subtitle may be cited as the Broadened Ownership Act.

Article – Education

SUBTITLE ~~11~~ 10. USE OF MINORITY BUSINESS ENTERPRISES FOR BROKERAGE AND INVESTMENT MANAGEMENT SERVICES.

11-1001.

(A) THE COMMISSION SHALL ATTEMPT TO USE TO THE GREATEST EXTENT FEASIBLE MINORITY BUSINESS ENTERPRISES TO PROVIDE BROKERAGE AND INVESTMENT MANAGEMENT SERVICES TO THE COMMISSION FOR ANY FUND ESTABLISHED UNDER THIS DIVISION III CONSISTENT WITH MINORITY BUSINESS PURCHASING STANDARDS APPLICABLE TO UNITS OF STATE GOVERNMENT UNDER THE STATE FINANCE AND PROCUREMENT ARTICLE AND CONSISTENT WITH THE FIDUCIARY DUTIES OF THE COMMISSION.

(B) FOR PURPOSES OF THIS SECTION, BROKERAGE AND INVESTMENT MANAGEMENT SERVICES SHALL INCLUDE SERVICES RELATING TO ALL ALLOCATED ASSET CLASSES.

(C) (1) TO ASSIST THE COMMISSION IN ACHIEVING THE GOAL DESCRIBED UNDER SUBSECTION (A) OF THIS SECTION, THE COMMISSION SHALL UNDERTAKE MEASURES TO REMOVE ANY BARRIERS THAT LIMIT FULL PARTICIPATION BY MINORITY BUSINESS ENTERPRISES IN BROKERAGE AND INVESTMENT MANAGEMENT SERVICES OPPORTUNITIES AFFORDED BY THE COMMISSION FOR ANY FUND ESTABLISHED UNDER THIS DIVISION III.

(2) THE MEASURES UNDERTAKEN BY THE COMMISSION SHALL INCLUDE THE USE OF A WIDE VARIETY OF MEDIA, INCLUDING THE COMMISSION'S WEB SITE, TO PROVIDE NOTICE TO A BROAD AND VARIED RANGE OF POTENTIAL PROVIDERS ABOUT THE BROKERAGE AND INVESTMENT MANAGEMENT SERVICES OPPORTUNITIES AFFORDED BY THE COMMISSION.

(D) IN CONJUNCTION WITH THE GOVERNOR'S OFFICE OF MINORITY AFFAIRS, THE COMMISSION SHALL DEVELOP GUIDELINES TO ASSIST THE COMMISSION IN IDENTIFYING AND EVALUATING QUALIFIED MINORITY BUSINESS ENTERPRISES IN ORDER TO HELP THE COMMISSION ACHIEVE THE OBJECTIVE FOR GREATER USE OF MINORITY BUSINESS ENTERPRISES FOR BROKERAGE AND INVESTMENT MANAGEMENT SERVICES FOR ANY FUND ESTABLISHED UNDER THIS DIVISION III.

(E) ON OR BEFORE SEPTEMBER 1 EACH YEAR, THE COMMISSION SHALL SUBMIT A REPORT TO THE GOVERNOR'S OFFICE OF MINORITY AFFAIRS AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON:

(1) THE IDENTITY OF THE MINORITY BUSINESS ENTERPRISE BROKERAGE AND INVESTMENT MANAGEMENT SERVICES FIRMS USED BY THE COMMISSION IN THE IMMEDIATELY PRECEDING FISCAL YEAR;

(2) THE PERCENTAGE AND DOLLAR VALUE OF THE COMMISSION'S ASSETS IN ANY FUND ESTABLISHED UNDER THIS ARTICLE THAT ARE UNDER THE INVESTMENT CONTROL OF MINORITY BUSINESS ENTERPRISE BROKERAGE AND INVESTMENT MANAGEMENT SERVICES FIRMS IN EACH ALLOCATED ASSET CLASS; AND

(3) THE MEASURES THE COMMISSION UNDERTOOK IN THE IMMEDIATELY PRECEDING FISCAL YEAR IN ACCORDANCE WITH SUBSECTION (C)(2) OF THIS SECTION.

Article – Housing and Community Development

4-501.1.

(A) THE DEPARTMENT SHALL ATTEMPT TO USE TO THE GREATEST EXTENT FEASIBLE MINORITY BUSINESS ENTERPRISES TO PROVIDE BROKERAGE AND INVESTMENT MANAGEMENT SERVICES TO THE DEPARTMENT FOR THE FUNDS ESTABLISHED UNDER THIS SUBTITLE CONSISTENT WITH MINORITY BUSINESS PURCHASING STANDARDS APPLICABLE TO UNITS OF STATE GOVERNMENT UNDER THE STATE FINANCE AND PROCUREMENT ARTICLE AND CONSISTENT WITH THE FIDUCIARY DUTIES OF THE DEPARTMENT.

(B) FOR PURPOSES OF THIS SECTION, BROKERAGE AND INVESTMENT MANAGEMENT SERVICES SHALL INCLUDE SERVICES RELATING TO ALL ALLOCATED ASSET CLASSES.

(C) (1) TO ASSIST THE DEPARTMENT IN ACHIEVING THE GOAL DESCRIBED UNDER SUBSECTION (A) OF THIS SECTION, THE DEPARTMENT SHALL UNDERTAKE MEASURES TO REMOVE ANY BARRIERS THAT LIMIT FULL PARTICIPATION BY MINORITY BUSINESS ENTERPRISES IN BROKERAGE AND INVESTMENT MANAGEMENT SERVICES OPPORTUNITIES AFFORDED BY THE DEPARTMENT FOR THE FUNDS ESTABLISHED UNDER THIS SUBTITLE.

(2) THE MEASURES UNDERTAKEN BY THE DEPARTMENT SHALL INCLUDE THE USE OF A WIDE VARIETY OF MEDIA, INCLUDING THE DEPARTMENT'S WEB SITE, TO PROVIDE NOTICE TO A BROAD AND VARIED RANGE OF POTENTIAL PROVIDERS ABOUT THE BROKERAGE AND INVESTMENT MANAGEMENT SERVICES OPPORTUNITIES AFFORDED BY THE DEPARTMENT FOR THE FUNDS ESTABLISHED UNDER THIS SUBTITLE.

(D) IN CONJUNCTION WITH THE GOVERNOR'S OFFICE OF MINORITY AFFAIRS, THE DEPARTMENT SHALL DEVELOP GUIDELINES TO ASSIST IT IN IDENTIFYING AND EVALUATING QUALIFIED MINORITY BUSINESS ENTERPRISES

IN ORDER TO HELP THE DEPARTMENT ACHIEVE THE OBJECTIVE FOR GREATER USE OF MINORITY BUSINESS ENTERPRISES FOR BROKERAGE AND INVESTMENT MANAGEMENT SERVICES FOR THE FUNDS ESTABLISHED UNDER THIS SUBTITLE.

(E) ON OR BEFORE SEPTEMBER 1 EACH YEAR, THE DEPARTMENT SHALL SUBMIT A REPORT TO THE GOVERNOR'S OFFICE OF MINORITY AFFAIRS AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON:

(1) THE IDENTITY OF THE MINORITY BUSINESS ENTERPRISE BROKERAGE AND INVESTMENT MANAGEMENT SERVICES FIRMS USED BY THE DEPARTMENT IN THE IMMEDIATELY PRECEDING FISCAL YEAR;

(2) THE PERCENTAGE AND DOLLAR VALUE OF THE ASSETS IN THE FUNDS ESTABLISHED UNDER THIS SUBTITLE THAT ARE UNDER THE INVESTMENT CONTROL OF MINORITY BUSINESS ENTERPRISE BROKERAGE AND INVESTMENT MANAGEMENT SERVICES FIRMS IN EACH ALLOCATED ASSET CLASS; AND

(3) THE MEASURES THE DEPARTMENT UNDERTOOK IN THE IMMEDIATELY PRECEDING FISCAL YEAR IN ACCORDANCE WITH SUBSECTION (C)(2) OF THIS SECTION.

Article – Insurance

20-303.

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

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

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

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

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

(b) (1) Whenever the amount of moneys in the Fund exceeds the amount that the Executive Director believes is likely to be required immediately, the financial

management committee may manage the excess as it considers appropriate and invest the excess in investments legal for casualty insurers under §§ 5–601 through 5–609 of this article.

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

(c) (1) (i) Consistent with minority business purchasing standards applicable to units of State government under the State Finance and Procurement Article and consistent with the fiduciary duties of the financial management committee, the financial management committee shall attempt to use to the greatest extent feasible minority business enterprises to provide brokerage and investment management services to the committee.

(ii) For purposes of this subsection, brokerage and investment management services shall include services relating to all allocated asset classes.

(2) (i) To assist it in achieving the goal described under paragraph (1) of this subsection, the financial management committee shall undertake measures to remove any barriers that limit full participation by minority business enterprises in brokerage and investment management services opportunities afforded by the Fund.

(ii) The measures undertaken by the financial management committee shall include the use of a wide variety of media, including the Fund's Web site, to provide notice to a broad and varied range of potential providers about the brokerage and investment management services opportunities afforded by the Fund.

(3) In conjunction with the Governor's Office of Minority Affairs, the financial management committee shall develop guidelines to assist the committee in identifying and evaluating qualified minority business enterprises in order to help the Fund achieve the objective for greater use of minority business enterprises for brokerage and investment management services.

(4) On or before September 1 each year, the financial management committee shall submit a report to the Governor's Office of Minority Affairs and, subject to § 2–1246 of the State Government Article, the General Assembly on:

(i) the identity of the minority business enterprise brokerage and investment management services firms used by the financial management committee in the immediately preceding fiscal year;

(ii) the percentage and dollar value of the Fund assets that are under the investment control of minority business enterprise brokerage and investment management services firms **IN EACH ALLOCATED ASSET CLASS**; and

(iii) the measures the financial management committee undertook in the immediately preceding fiscal year in accordance with paragraph (2)(ii) of this subsection.

Article – Labor and Employment

10–122.

(a) Consistent with minority business purchasing standards applicable to units of State government under the State Finance and Procurement Article and consistent with the fiduciary duties of the Board, the Board shall attempt to use to the greatest extent feasible minority business enterprises to provide brokerage and investment management services to the Board.

(b) For purposes of this section, brokerage and investment management services shall include services relating to all allocated asset classes.

(c) (1) To assist it in achieving the goal described under subsection (a) of this section, the Board shall undertake measures to remove any barriers that limit full participation by minority business enterprises in brokerage and investment management services opportunities afforded by the Fund.

(2) The measures undertaken by the Board shall include the use of a wide variety of media, including the Board's website, to provide notice to a broad and varied range of potential providers about the brokerage and investment management services opportunities afforded by the Fund.

(d) In conjunction with the Governor's Office of Minority Affairs, the Board shall develop guidelines to assist it in identifying and evaluating qualified minority business enterprises in order to help the Fund achieve the objective for greater use of minority business enterprises for brokerage and investment management services.

(e) On or before September 1 each year, the Board shall submit a report to the Governor's Office of Minority Affairs and, subject to § 2–1246 of the State Government Article, the General Assembly on:

(1) the identity of the minority business enterprise brokerage and investment management services firms used by the Board in the immediately preceding fiscal year;

(2) the percentage and dollar value of the Fund assets that are under the investment control of minority business enterprise brokerage and investment management services firms **IN EACH ALLOCATED ASSET CLASS**; and

(3) the measures the Board undertook in the immediately preceding fiscal year in accordance with subsection (c)(2) of this section.

Article – State Finance and Procurement

6–222.

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

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

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

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

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

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

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

(7) money market mutual funds that:

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

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

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

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

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

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

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

(2) the net income earned;

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

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

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

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

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

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

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

- (5) using competitive purchasing practices except when impractical;
- (6) in accordance with a written investment policy;
- (7) so that the securities and collateral may continue to be priced on a market to market basis; and
- (8) to avoid the enhancement of the personal financial position of the Treasurer or any employee of the Treasurer who has responsibilities for such investments.

(e) (1) (i) Consistent with minority business purchasing standards applicable to units of State government under this article and consistent with the fiduciary duties of the Treasurer, the Treasurer shall attempt to use to the greatest extent feasible minority business enterprises for brokerage and investment management services under this section.

(ii) For purposes of this subsection, brokerage and investment management services shall include services relating to all allocated asset classes as described in subsection (a) of this section.

(2) (i) To assist the Treasurer in achieving the goal described under paragraph (1) of this subsection, the Treasurer shall undertake measures to remove any barriers that limit full participation by minority business enterprises in brokerage and investment management services opportunities afforded under this section.

(ii) The measures undertaken by the Treasurer shall include the use of a wide variety of media, including the Treasurer's website, to provide notice to a broad and varied range of potential providers about the brokerage and investment management services opportunities afforded by the Treasurer.

(3) In conjunction with the Governor's Office of Minority Affairs, the Treasurer shall develop guidelines to assist in identifying and evaluating qualified minority business enterprises in order to help the Treasurer achieve the objective for greater use of minority business enterprises for brokerage and investment management services under this section.

(4) On or before September 1 each year, the Treasurer shall submit a report to the Governor's Office of Minority Affairs and, subject to § 2-1246 of the State Government Article, the General Assembly on:

(i) the identity of the minority business enterprise brokerage and investment management services firms used by the Treasurer in the immediately preceding fiscal year;

(ii) the percentage and dollar value of the assets under the custody of the Treasurer that are under the investment control of minority business enterprise brokerage and investment management services firms **FOR EACH ALLOCATED ASSET CLASS**; and

(iii) the measures the Treasurer undertook in the immediately preceding fiscal year in accordance with paragraph (2)(ii) of this subsection.

~~14-306.~~

~~(A) (1) THIS SECTION APPLIES TO:~~

~~(I) THE STATE TREASURER IN ACCORDANCE WITH § 6-222 OF THIS ARTICLE;~~

~~(II) THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT IN ACCORDANCE WITH § 14-103 OF THE ECONOMIC DEVELOPMENT ARTICLE;~~

~~(III) THE MARYLAND HIGHER EDUCATION COMMISSION IN ACCORDANCE WITH § 11-1001 OF THE EDUCATION ARTICLE;~~

~~(IV) THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT IN ACCORDANCE WITH § 4-501.1 OF THE HOUSING AND COMMUNITY DEVELOPMENT ARTICLE;~~

~~(V) THE MARYLAND INSURANCE FUND IN ACCORDANCE WITH § 20-303 OF THE INSURANCE ARTICLE;~~

~~(VI) THE INJURED WORKERS INSURANCE FUND IN ACCORDANCE WITH § 10-122 OF THE LABOR AND EMPLOYMENT ARTICLE; AND~~

~~(VII) THE STATE RETIREMENT AND PENSION SYSTEM IN ACCORDANCE WITH §§ 21-116 AND 35-302 OF THE STATE PERSONNEL AND PENSIONS ARTICLE.~~

~~(2) IN ADDITION TO THE UNITS LISTED IN PARAGRAPH (1) OF THIS SUBSECTION, THIS SECTION APPLIES TO ANY OTHER STATE UNIT DESIGNATED BY THE BOARD OF PUBLIC WORKS AND WITH RESPONSIBILITY FOR THE MANAGEMENT OF FUNDS ENTRUSTED TO THE UNIT.~~

~~(B) (1) (I) A UNIT SUBJECT TO THIS SECTION SHALL ATTEMPT TO USE TO THE GREATEST EXTENT FEASIBLE MINORITY BUSINESS ENTERPRISES TO~~

~~PROVIDE BROKERAGE AND INVESTMENT MANAGEMENT SERVICES TO THE UNIT CONSISTENT WITH MINORITY BUSINESS PURCHASING STANDARDS APPLICABLE TO UNITS OF STATE GOVERNMENT UNDER THIS TITLE AND CONSISTENT WITH THE FIDUCIARY DUTIES OF THE UNIT.~~

~~(H) FOR PURPOSES OF THIS SUBSECTION, BROKERAGE AND INVESTMENT MANAGEMENT SERVICES SHALL INCLUDE SERVICES RELATING TO ALL ALLOCATED ASSET CLASSES.~~

~~(2) (I) TO ASSIST A UNIT IN ACHIEVING THE GOAL DESCRIBED UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE UNIT SHALL UNDERTAKE MEASURES TO REMOVE ANY BARRIERS THAT LIMIT FULL PARTICIPATION BY MINORITY BUSINESS ENTERPRISES IN BROKERAGE AND INVESTMENT MANAGEMENT SERVICES OPPORTUNITIES AFFORDED UNDER THIS SUBTITLE.~~

~~(H) THE MEASURES UNDERTAKEN BY THE UNIT SHALL INCLUDE THE USE OF A WIDE VARIETY OF MEDIA, INCLUDING THE UNIT'S WEB SITE, TO PROVIDE NOTICE TO A BROAD AND VARIED RANGE OF POTENTIAL PROVIDERS ABOUT THE BROKERAGE AND INVESTMENT MANAGEMENT SERVICES OPPORTUNITIES AFFORDED BY THE UNIT.~~

~~(3) IN CONSULTATION WITH THE GOVERNOR'S OFFICE OF MINORITY AFFAIRS, A UNIT SHALL DEVELOP GUIDELINES TO ASSIST THE UNIT IN IDENTIFYING AND EVALUATING QUALIFIED MINORITY BUSINESS ENTERPRISES IN ORDER TO HELP THE UNIT ACHIEVE THE OBJECTIVE FOR GREATER USE OF MINORITY BUSINESS ENTERPRISES FOR BROKERAGE AND INVESTMENT MANAGEMENT SERVICES.~~

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

~~(I) THE IDENTITY OF THE MINORITY BUSINESS ENTERPRISE BROKERAGE AND INVESTMENT MANAGEMENT SERVICES FIRMS USED BY THE UNIT IN THE IMMEDIATELY PRECEDING FISCAL YEAR;~~

~~(H) THE PERCENTAGE AND DOLLAR VALUE OF THE ASSETS THAT ARE UNDER THE CONTROL OF THE UNIT THAT ARE UNDER THE INVESTMENT CONTROL OF MINORITY BUSINESS ENTERPRISE BROKERAGE AND INVESTMENT MANAGEMENT SERVICES FIRMS FOR EACH ALLOCATED ASSET CLASS; AND~~

~~(III) THE MEASURES THE UNIT UNDERTOOK IN THE IMMEDIATELY PRECEDING FISCAL YEAR IN ACCORDANCE WITH PARAGRAPH (2)(II) OF THIS SUBSECTION.~~

Article – State Personnel and Pensions

21–116.

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

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

(1) the investment programs;

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

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

(c) (1) Subject to subsection (d) of this section, the Board of Trustees shall adopt an investment policy manual that details:

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

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

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

(2) The Investment Committee shall:

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

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

(d) (1) (i) Consistent with minority business purchasing standards applicable to units of State government under the State Finance and Procurement Article and consistent with the fiduciary duties of the Board of Trustees, the Board of Trustees shall direct the Investment Committee to attempt to use to the greatest

extent feasible minority business enterprises to provide brokerage and investment management services to the Board.

(ii) For purposes of this subsection, brokerage and investment management services shall include services relating to all allocated asset classes.

(2) (i) To assist it in achieving the goal described under paragraph (1) of this subsection, the Investment Committee shall undertake measures to remove any barriers that limit full participation by minority business enterprises in brokerage and investment management services opportunities afforded under this title.

(ii) The measures undertaken by the Investment Committee shall include the use of a wide variety of media, including the State Retirement Agency's website, to provide notice to a broad and varied range of potential providers about the brokerage and investment management services opportunities afforded by the State Retirement Agency.

(3) In consultation with the Governor's Office of Minority Affairs and the Investment Committee, the Board of Trustees shall develop guidelines to assist the Investment Committee in identifying and evaluating qualified minority business enterprises in order to help the State Retirement Agency achieve the objective for greater use of minority business enterprises for brokerage and investment management services.

(4) On or before September 1 each year, the Investment Committee shall submit a report to the Board of Trustees, the Governor's Office of Minority Affairs and, subject to § 2-1246 of the State Government Article, the General Assembly on:

(i) the identity of the minority business enterprise brokerage and investment management services firms used by the Investment Committee in the immediately preceding fiscal year;

(ii) the percentage and dollar value of the assets that are under the control of the Investment Committee that are under the investment control of minority business enterprise brokerage and investment management services firms **FOR EACH ALLOCATED ASSET CLASS**; and

(iii) the measures the Investment Committee undertook in the immediately preceding fiscal year in accordance with paragraph (2)(ii) of this subsection.

35-302.

(A) Assets of the supplemental retirement plans may be deposited and invested in accordance with the investment elections allowed under the supplemental

retirement plans notwithstanding any other law limiting the types of investments that may be made with State funds or imposing conditions on the deposit of State funds.

(B) (1) (I) THE BOARD SHALL ATTEMPT TO USE TO THE GREATEST EXTENT FEASIBLE MINORITY BUSINESS ENTERPRISES TO PROVIDE BROKERAGE AND INVESTMENT MANAGEMENT SERVICES TO THE BOARD CONSISTENT WITH MINORITY BUSINESS PURCHASING STANDARDS APPLICABLE TO UNITS OF STATE GOVERNMENT UNDER THE STATE FINANCE AND PROCUREMENT ARTICLE AND CONSISTENT WITH THE FIDUCIARY DUTIES OF THE BOARD.

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

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

(II) THE MEASURES UNDERTAKEN BY THE BOARD SHALL INCLUDE THE USE OF A WIDE VARIETY OF MEDIA, INCLUDING THE ~~STATE RETIREMENT AGENCY'S~~ MARYLAND TEACHERS AND STATE EMPLOYEES SUPPLEMENTAL RETIREMENT PLANS' WEB SITE, TO PROVIDE NOTICE TO A BROAD AND VARIED RANGE OF POTENTIAL PROVIDERS ABOUT THE BROKERAGE AND INVESTMENT MANAGEMENT SERVICES OPPORTUNITIES AFFORDED BY THE ~~STATE RETIREMENT AGENCY~~ MARYLAND TEACHERS AND STATE EMPLOYEES SUPPLEMENTAL RETIREMENT PLANS.

(3) IN CONSULTATION WITH THE GOVERNOR'S OFFICE OF MINORITY AFFAIRS, THE BOARD SHALL DEVELOP GUIDELINES TO ASSIST THE BOARD IN IDENTIFYING AND EVALUATING QUALIFIED MINORITY BUSINESS ENTERPRISES IN ORDER TO HELP THE ~~STATE RETIREMENT AGENCY~~ MARYLAND TEACHERS AND STATE EMPLOYEES SUPPLEMENTAL RETIREMENT PLANS ACHIEVE THE OBJECTIVE FOR GREATER USE OF MINORITY BUSINESS ENTERPRISES FOR BROKERAGE AND INVESTMENT MANAGEMENT SERVICES.

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

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

(II) THE PERCENTAGE AND DOLLAR VALUE OF THE ASSETS THAT ARE UNDER THE CONTROL OF THE BOARD THAT ARE UNDER THE INVESTMENT CONTROL OF MINORITY BUSINESS ENTERPRISE BROKERAGE AND INVESTMENT MANAGEMENT SERVICES FIRMS FOR EACH ALLOCATED ASSET CLASS; AND

(III) THE MEASURES THE BOARD UNDERTOOK IN THE IMMEDIATELY PRECEDING FISCAL YEAR IN ACCORDANCE WITH PARAGRAPH (2)(II) OF THIS SUBSECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2012.

Approved by the Governor, May 22, 2012.