

HOUSE BILL 909

P6

2lr2624
CF SB 458

By: **Delegate Lierman**

Introduced and read first time: February 7, 2022

Assigned to: Appropriations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 2, 2022

CHAPTER _____

1 AN ACT concerning

2 **Maryland Teachers and State Employees Supplemental Retirement Plans – Use**
3 **of Minority Business Enterprises**

4 FOR the purpose of requiring the Board of Trustees of the Maryland Teachers and State
5 Employees Supplemental Retirement Plans to consider using minority business
6 enterprises for certain services; requiring the Board to use the Office of State
7 Procurement’s website and the State’s electronic procurement system to provide
8 notice to potential providers; requiring the Board, in consultation with the
9 Governor’s Office of Small, Minority, and Women Business Affairs, to identify
10 entities that have been certified as minority business enterprises under certain
11 circumstances; and generally relating to the use of minority business enterprises in
12 the Maryland Teachers and State Employees Supplemental Retirement Plans.

13 BY repealing and reenacting, with amendments,
14 Article – State Personnel and Pensions
15 Section 35–302
16 Annotated Code of Maryland
17 (2015 Replacement Volume and 2021 Supplement)

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

20 **Article – State Personnel and Pensions**

21 35–302.

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 (a) Assets of the supplemental retirement plans may be deposited and invested
2 in accordance with the investment elections allowed under the supplemental retirement
3 plans as selected and determined by the Board in accordance with the statements of
4 investment policy adopted by the Board from time to time notwithstanding any other law
5 limiting the types of investments that may be made with State funds or imposing conditions
6 on the deposit of State funds.

7 (b) The Board shall make arrangements for the safe custody, domestic or global,
8 of investments with one or more duly qualified custodian banks or trust companies.

9 (c) Except as provided in Title 12, Subtitle 4 and Title 14, Subtitle 3 of the State
10 Finance and Procurement Article, Title 10 and Division II of the State Finance and
11 Procurement Article do not apply to the supplemental retirement plans for:

12 (1) services of managers to invest the assets deposited and invested in
13 investment options of the supplemental retirement plans in accordance with the
14 statements of investment policy adopted by the Board from time to time;

15 (2) expenditures to manage, maintain, and enhance the value of assets
16 deposited and invested in investment options of the supplemental retirement plans selected
17 in accordance with the statements of investment policy adopted by the Board from time to
18 time; and

19 (3) expenditures for the safe custody, domestic or global, of assets deposited
20 and invested in investment options of the supplemental retirement plans selected in
21 accordance with subsection (b) of this section.

22 (d) (1) **[(i)]** The Board shall **CONSIDER AND** attempt to use to the greatest
23 extent feasible minority business enterprises to provide **[brokerage and investment**
24 **management]** **INVESTMENT ADVISOR AND FUND MANAGER** services to the Board
25 consistent with minority business purchasing standards applicable to units of State
26 government under the State Finance and Procurement Article and consistent with the
27 fiduciary duties of the Board.

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

30 (2) (i) To assist it in achieving the goal described under paragraph (1)
31 of this subsection, the Board shall undertake measures to remove any barriers that limit
32 full participation by minority business enterprises in **[brokerage and investment**
33 **management]** **INVESTMENT ADVISOR AND FUND MANAGER** services opportunities
34 afforded under this title.

35 (ii) The measures undertaken by the Board shall include the use of
36 **[a wide variety of media, including]** the Maryland Teachers and State Employees

1 Supplemental Retirement Plans' website, **THE STATE'S ELECTRONIC PROCUREMENT**
2 **SYSTEM, AND THE OFFICE OF STATE PROCUREMENT WEBSITE, WHENEVER**
3 **REQUIRED**, to provide notice to a broad and varied range of potential providers about the
4 **[brokerage and investment management] INVESTMENT ADVISOR AND FUND MANAGER**
5 services opportunities afforded by the Maryland Teachers and State Employees
6 Supplemental Retirement Plans.

7 (3) In consultation with the Governor's Office of Small, Minority, and
8 Women Business Affairs, the Board shall **[develop guidelines to assist the Board in**
9 **identifying and evaluating] IDENTIFY ENTITIES THAT HAVE BEEN CERTIFIED BY THE**
10 **STATE DEPARTMENT OF TRANSPORTATION AS MINORITY BUSINESS ENTERPRISES**
11 **AS** qualified minority business enterprises in order to help the Maryland Teachers and
12 State Employees Supplemental Retirement Plans achieve the objective for greater use of
13 minority business enterprises for **[brokerage and investment management] INVESTMENT**
14 **ADVISOR AND FUND MANAGER** services.

15 (4) On or before September 1 each year, the Board shall submit a report to
16 the Governor's Office of Small, Minority, and Women Business Affairs and, subject to §
17 2-1257 of the State Government Article, the General Assembly on:

18 (i) the identity of the minority business enterprise **[brokerage and**
19 **investment management] INVESTMENT ADVISOR AND FUND MANAGER** services firms
20 used by the Board in the immediately preceding fiscal year;

21 (ii) the percentage and dollar value of the assets that are under the
22 control of the Board that are under the investment control of minority business enterprise
23 **[brokerage and investment management] INVESTMENT ADVISOR AND FUND MANAGER**
24 services firms for each allocated asset class; and

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

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
28 1, 2022.