

HOUSE BILL 909

P6

2lr2624
CF SB 458

By: **Delegate Lierman**

Introduced and read first time: February 7, 2022

Assigned to: Appropriations

A BILL ENTITLED

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 to provide notice to potential providers; requiring the Board,
8 in consultation with the Governor’s Office of Small, Minority, and Women Business
9 Affairs, to identify entities that have been certified as minority business enterprises
10 under certain circumstances; and generally relating to the use of minority business
11 enterprises in the Maryland Teachers and State Employees Supplemental
12 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.

22 (a) Assets of the supplemental retirement plans may be deposited and invested
23 in accordance with the investment elections allowed under the supplemental retirement
24 plans as selected and determined by the Board in accordance with the statements of
25 investment policy adopted by the Board from time to time notwithstanding any other law
26 limiting the types of investments that may be made with State funds or imposing conditions

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 on the deposit of State funds.

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

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

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

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

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

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

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

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

30 (ii) The measures undertaken by the Board shall include the use of
31 [a wide variety of media, including] the Maryland Teachers and State Employees
32 Supplemental Retirement Plans' website **AND THE OFFICE OF STATE PROCUREMENT**
33 **WEBSITE, WHENEVER REQUIRED**, to provide notice to a broad and varied range of
34 potential providers about the [brokerage and investment management] **INVESTMENT**
35 **ADVISOR AND FUND MANAGER** services opportunities afforded by the Maryland Teachers
36 and State Employees Supplemental Retirement Plans.

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

9 (4) On or before September 1 each year, the Board shall submit a report to
10 the Governor's Office of Small, Minority, and Women Business Affairs and, subject to §
11 2-1257 of the State Government Article, the General Assembly on:

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

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

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

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
22 1, 2022.