

SENATE, No. 2430

STATE OF NEW JERSEY 216th LEGISLATURE

INTRODUCED SEPTEMBER 22, 2014

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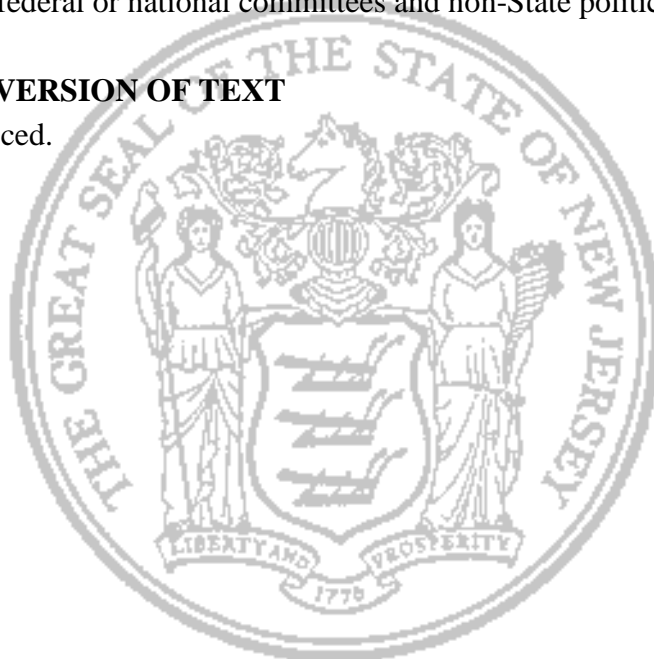
Senator Greenstein, Assemblymen Singleton, Andrzejczak and Lagana

SYNOPSIS

Provides State Investment Council must report private money managers' fee information and that council's regulations addressing political contributions will apply to federal or national committees and non-State political committees.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 2/24/2015)

1 AN ACT providing State Investment Council must report private
2 money managers fee information and concerning certain political
3 contributions by money managers, and amending P.L.1950,
4 c.270.

5
6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:

8
9 1. Section 13 of P.L.1950, c.270 (C.52:18A-91) is amended to
10 read as follows:

11 13. a. The State Investment Council shall consult with the
12 Director of the Division of Investment from time to time with
13 respect to the work of the division. It shall have access to all files
14 and records of the division and may require any officer or employee
15 therein to provide such information as it may deem necessary in the
16 performance of its functions. The council shall have authority to
17 inspect and audit the respective accounts and funds administered
18 through the Division of Investment. It shall formulate and
19 establish, and may from time to time amend, modify or repeal, such
20 policies as it may deem necessary or proper, which shall govern the
21 methods, practices or procedures for investment, reinvestment,
22 purchase, sale or exchange transactions to be followed by the
23 Director of the Division of Investment established hereunder.

24 b. On or before January first of each year, and at such other
25 times as it may deem in the public interest, the council shall report
26 to the Governor, the Legislature, and the State Treasurer with
27 respect to its work and the work of the Division of Investment. In
28 addition to the reports specified above and in section 14 of
29 P.L.1950, c.270 (C.52:18A-92), the council shall issue a report by
30 March 1 of each year on the investment activities for the prior
31 calendar year, which shall include a summary of the current
32 investment policies and strategies of the council and those in effect
33 during the prior calendar year, a detailed summary for each
34 financial product of the amount invested, whether the investments
35 were made by employees of the Division of Investment or by
36 external managers, performance benchmarks, and actual
37 performance during the calendar year. The report shall be
38 submitted to the Governor, the Legislature, and the State Treasurer,
39 and shall be made available to the public through the official
40 Internet site of the State. In addition, the council shall issue a
41 report by February 1, May 1, August 1, and October 1 of each year
42 listing for the prior calendar quarter, in the aggregate and
43 segregated by asset class, the returns of investments achieved for
44 the funds under the council's supervision by external managers. In
45 the report, the council shall disclose the rate, and amount, of fees

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 charged by each external manager for the investment of funds in
2 commodities, hedge funds, private equity, real estate, bonds,
3 equities, or any other asset class. The council shall submit the
4 report to the Governor, the Legislature, and the State Treasurer, and
5 shall make it available to the public through the official Internet site
6 of the State.

7 c. The council shall hold a meeting each year that shall be open
8 to the public, and shall accept comments from the public at such
9 meeting. The matters that shall be open to discussion and public
10 comment during this annual meeting shall include the investment
11 policies and strategies of the council, the investment activities of
12 the council, the financial disclosure statements filed by council
13 members, and the certification of contributions filed by external
14 managers, as well as other appropriate matters concerning the
15 operations, activities and reports of the council.

16 d. An external manager shall be required to file a certification
17 before being retained, and annually thereafter, that discloses the
18 political contributions made, during the 12 months preceding the
19 certification, by the manager or the manager's firm, or a political
20 committee in which the manager or firm was active. The
21 certification shall specify the political contributions made to
22 candidates for elective public office in this State and any political
23 committee established for the support of such candidates, and
24 contributions made for the transition and inaugural expenses of any
25 candidate who is elected to public office. As used in this
26 subsection, "contribution" and "political committee" shall have the
27 meaning set forth in "The New Jersey Campaign Contributions and
28 Expenditures Reporting Act," P.L.1973, c.83 (C.19:44A-1 et al.).
29 This certification shall be in addition to any other such disclosure
30 required by law or executive order of the Governor.

31 Regulations adopted by the council that address political
32 contributions shall apply equally to contributions to any federal or
33 national committee or a non-State political committee as to any
34 other committee covered thereby.

35 (cf: P.L.2007, c.103, s.51)

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37 2. This act shall take effect immediately.

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STATEMENT

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42 This bill requires the State Investment Council to issue a report
43 by February 1, May 1, August 1, and October 1 of each year listing
44 for the prior calendar quarter, in the aggregate and segregated by
45 asset class, the returns of investments achieved for the funds under
46 the council's supervision by external managers. In the report, the
47 council shall disclose the rate, and amount, of fees charged by each
48 external manager for the investment of funds in commodities, hedge

1 funds, private equity, real estate, bonds, equities, or any other asset
2 class. The council shall submit the report to the Governor, the
3 Legislature, and the State Treasurer, and shall make it available to
4 the public through the official Internet site of the State.

5 In addition, the bill provides that regulations adopted by the
6 council that address political contributions shall apply equally to
7 contributions to any federal or national committee or a non-State
8 political committee as to any other committee covered thereby. The
9 purpose of this provision is to negate an exception to the Council's
10 regulations addressing political contributions adopted on February
11 3, 2014.