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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)
S2430 TURNER, P. BARNES, III

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

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

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

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

b. On or before January first of each year, and at such other times as it may deem in the public interest, the council shall report to the Governor, the Legislature, and the State Treasurer with respect to its work and the work of the Division of Investment. In addition to the reports specified above and in section 14 of P.L.1950, c.270 (C.52:18A-92), the council shall issue a report by March 1 of each year on the investment activities for the prior calendar year, which shall include a summary of the current investment policies and strategies of the council and those in effect during the prior calendar year, a detailed summary for each financial product of the amount invested, whether the investments were made by employees of the Division of Investment or by external managers, performance benchmarks, and actual performance during the calendar year. The report shall be submitted to the Governor, the Legislature, and the State Treasurer, and shall be made available to the public through the official Internet site of the State. In addition, the council shall issue a report by February 1, May 1, August 1, and October 1 of each year listing for the prior calendar quarter, in the aggregate and segregated by asset class, the returns of investments achieved for the funds under the council’s supervision by external managers. In 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.
charged by each external manager for the investment of funds in commodities, hedge funds, private equity, real estate, bonds, equities, or any other asset class. The council shall submit the report to the Governor, the Legislature, and the State Treasurer, and shall make it available to the public through the official Internet site of the State.

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

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

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

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

2. This act shall take effect immediately.

STATEMENT

This bill requires the State Investment Council to issue a report by February 1, May 1, August 1, and October 1 of each year listing for the prior calendar quarter, in the aggregate and segregated by asset class, the returns of investments achieved for the funds under the council’s supervision by external managers. In the report, the council shall disclose the rate, and amount, of fees charged by each external manager for the investment of funds in commodities, hedge
funds, private equity, real estate, bonds, equities, or any other asset class. The council shall submit the report to the Governor, the Legislature, and the State Treasurer, and shall make it available to the public through the official Internet site of the State.

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