MAINE STATE LEGISLATURE

The following document is provided by the

LAW AND LEGISLATIVE DIGITAL LIBRARY

at the Maine State Law and Legislative Reference Library
http://legislature.maine.gov/lawlib

128th MAINE LEGISLATURE

FIRST REGULAR SESSION-2017

Legislative Document **No. 907**

H.P. 635 House of Representatives, March 7, 2017

An Act Requiring Investments by the Maine Public Employees Retirement System To Be Well-diversified

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

ROBERT B. HUNT
Clerk

Presented by Representative STEWART of Presque Isle.
Cosponsored by Senator KATZ of Kennebec and
Representatives: FREDETTE of Newport, LOCKMAN of Amherst, SEAVEY of Kennebunkport, SIROCKI of Scarborough, TIMBERLAKE of Turner, WINSOR of Norway, Senator: HAMPER of Oxford.

1   **Be it enacted by the People of the State of Maine as follows:**

2   **Sec. 1. 5 MRSA §17108, sub-§2, ¶A,** as amended by PL 2003, c. 618, Pt. B, §1
3   and affected by §20, is further amended to read:

4   A. The fiduciary or registered investment advisor shall invest and reinvest the funds
5   of the retirement system in accordance with the standards defined in Title 18-B,
6   sections 802 to 807 and chapter 9. The investment and reinvestment are subject to
7   periodic review by the board <u>and the investment and reinvestment of funds may not</u>
8   <u>be made in narrowly tailored asset classes but must comprise well-diversified asset</u>
9   <u>classes that will generate the maximum return</u>.

10   **Sec. 2. 5 MRSA §17153, sub-§3,** as amended by PL 2003, c. 618, Pt. B, §2 and
11   affected by §20, is further amended to read:

12   **3. Investment of funds.** The board may cause the funds created by this Part to be
13   invested and reinvested in accordance with the standards defined in Title 18-B, sections
14   802 to 807 and chapter 9, subject to periodic approval of the investment program by the
15   board. <u>The board shall ensure that the investment and reinvestment of funds is not made</u>
16   <u>in narrowly tailored asset classes but comprises investment and reinvestment of funds in</u>
17   <u>well-diversified asset classes that will generate the maximum return.</u>

18   **SUMMARY**

19   This bill requires that the Board of Trustees of the Maine Public Employees
20   Retirement System invest and reinvest retirement system funds in well-diversified asset
21   classes that will generate the maximum return and prohibits investment in narrowly
22   tailored asset classes.