

By: Alvarado

H.B. No. 4446

A BILL TO BE ENTITLED

AN ACT

relating to the investment authority of the Teachers Retirement System of Texas and Employees Retirement System of Texas

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 815.301, Government Code, is amended to read as follows:

(c) The board of trustees may contract with private professional investment managers to assist the board in investing the assets of the retirement system. In a contract made under this subsection, the board of trustees shall specify at minimum 25 percent of the services acquired be rendered by women-owned or minority-owned private professional investment managers. The board of trustees may not contract under this subsection for investment and management services to be performed on or after September 1, 2014.

SECTION 2. Section 825.301, Government Code, is amended to read as follows:

(a-2) The board of trustees may delegate investment authority and contract with one or more private professional investment managers for investment and management of not more than 30 percent of the total assets held in trust by the retirement system. In a contract made under this subsection, the board of trustees shall specify any applicable policies, requirements including at minimum 7.5 percent of the total assets are managed by

1 women-owned or minority-owned private professional investment  
2 managers, or restrictions, including criteria for determining the  
3 quality of investments or the use of standard rating services, that  
4 the board of trustees adopts for investments of the system. The  
5 board of trustees may not contract under this subsection for  
6 investment and management services to be performed on or after  
7 September 1, 2014 [~~2012~~].

8 (b) In addition to the board's authority under Subsection  
9 (a-2), the board of trustees may contract with private professional  
10 investment managers, advisors, and consultants to assist and advise  
11 the board and the staff of the retirement system in investing the  
12 assets of the retirement system. In a contract made under this  
13 Subsection, the board of trustees shall specify 25 percent of  
14 private professional managers, advisors, and consultants are  
15 women-owned or minority-owned private professional managers.

16 SECTION 3. This Act takes effect immediately if it receives  
17 a vote of two-thirds of all the members elected to each house, as  
18 provided by Section 39, Article III, Texas Constitution. If this  
19 Act does not receive the vote necessary for immediate effect, this  
20 Act takes effect September 1, 2009.