| **House Bill 1061**  Senate Amendments  Section-by-Section Analysis | | |
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| HOUSE VERSION | SENATE VERSION (IE) | CONFERENCE |
| SECTION 1. Sections 825.301(a-1) and (a-2), Government Code, are amended to read as follows:  (a-1) This subsection expires September 1, 2019 [~~2012~~], and applies to the investment and reinvestment of assets of the retirement system only if the investment or reinvestment is made before September 1, 2019 [~~2012~~]. In addition to any investment or reinvestment authorized by Subsection (a), the board of trustees may buy and sell the following, only to efficiently manage and reduce the risk of the overall investment portfolio:  (1) futures contracts;  (2) options;  (3) options on futures contracts;  (4) forward contracts;  (5) swap contracts, including swap contracts with embedded options;  (6) any instrument or contract intended to manage transaction or currency exchange risk in purchasing, selling, or holding investments; and  (7) any other instrument commonly used by institutional investors to manage institutional investment portfolios.  (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, or restrictions, including criteria for determining the quality of investments or the use of standard rating services, that the board of trustees adopts for investments of the system. The board of trustees may not contract under this subsection for investment and management services to be performed on or after September 1, 2019 [~~2012~~]. | SECTION 1. Same as House version. |  |
| No equivalent provision. | SECTION \_\_. Section 825.3012, Government Code, is amended by adding Subsection (b-1) to read as follows:  (b-1) Notwithstanding Subsection (b) of this section and any provision of Section 825.301, before September 1, 2019, not more than 10 percent of the value of the total investment portfolio of the retirement system may be invested in hedge funds. This subsection expires September 1, 2019. [FA1] |  |
| SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2011. | SECTION 2. Same as House version. |  |