

The Senate Committee on Retirement offered the following substitute to HB 83:

A BILL TO BE ENTITLED

AN ACT

1 To amend Article 7 of Chapter 20 of Title 47 of the Official Code of Georgia Annotated,
 2 relating to public retirement systems investment authorities law, so as to provide that the
 3 Georgia Firefighters' Pension Fund may invest up to 10 percent of the total assets of its fund
 4 in real estate and 10 percent of the total assets of its fund in alternative investments; to
 5 provide for related matters; to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Article 7 of Chapter 20 of Title 47 of the Official Code of Georgia Annotated, relating to
 9 public retirement systems investment authorities law, is amended by revising subsection (b)
 10 of Code Section 47-20-83, relating to certificated or uncertificated forms of investment and
 11 real estate investments, as follows:

12 "(b)(1) Notwithstanding the provisions of subsection (a) of this Code section, the Georgia
 13 Municipal Employees Benefit System and any association of like political subdivisions
 14 which contracts with its members for the pooling of assets may invest up to 10 percent
 15 of the total assets of its fund in real estate; provided, however, that in the event the fund's
 16 assets decrease in value, the association shall be entitled to retain all real estate
 17 investments if owned prior to the reduction in value of assets; and provided, further, that
 18 any such association shall be entitled to retain all real estate assets it owned on July 1,
 19 1999, without regard to the limitation imposed by this subsection.

20 (2) Notwithstanding the provisions of subsection (a) of this Code section, the Georgia
 21 Firefighters' Pension Fund may invest up to 10 percent of the total assets of its fund in
 22 real estate; provided, however, that in the event the fund's assets decrease in value, the
 23 fund shall be entitled to retain all real estate investments if owned prior to the reduction
 24 in value of assets."

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SECTION 2.

Said article is further amended by revising subsection (d) of Code Section 47-20-87, relating to eligible large retirement systems authorized to invest in certain alternative investments, as follows:

"(d)(1)(A) Alternative investments by an eligible large retirement system shall not in the aggregate exceed 5 percent of the eligible large retirement ~~system~~ system's assets at any time.

(B) Notwithstanding subparagraph (A) of this paragraph, alternative investments by the Georgia Firefighters' Pension Fund shall not in the aggregate exceed 10 percent of its assets at any time.

(2) The board of trustees of an eligible large retirement system shall have the discretion to designate whether any investment that is permitted to be made as an alternative investment pursuant to this Code section and that is also permitted to be made as an investment pursuant to Code Section 47-20-83 shall be treated for purposes of the 5 percent or 10 percent limitation and otherwise as an alternative investment made pursuant to this Code section or as an investment made pursuant to Code Section 47-20-83.

(3) If ~~the~~ an eligible large retirement system is not in compliance with the limitations imposed by this subsection, it shall make a good faith effort to come into compliance within two years and in any event as soon as practicable thereafter; provided, however, that during any period of noncompliance, the eligible large retirement system shall not increase the percentage of its assets committed to be invested in alternative investments but shall be permitted during such period to continue to make investments as required by the then existing commitments of the eligible large retirement system to alternative investments made before the period of noncompliance."

SECTION 3.

All laws and parts of laws in conflict with this Act are repealed.