

The House Committee on Rules offers the following substitute to SB 23:

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, the
2 "Public Retirement Systems Investment Authority Law," so as to provide certain retirement
3 systems the option to invest in real estate; to provide for an increase in certain retirement
4 systems allowable alternative investments; to provide for restrictions on certain investments;
5 to 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, the "Public
9 Retirement Systems Investment Authority Law," is amended by revising subsection (b) of
10 Code Section 47-20-83, relating to certified or uncertified forms of investment and real estate
11 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~~ such system or association shall be entitled to retain all real

17 estate investments if owned prior to the reduction in value of assets; and provided,
18 further, that any such system or association shall be entitled to retain all real estate assets
19 it owned on July 1, 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.

25 (3) Notwithstanding the provisions of subsection (a) of this Code section, a large
26 retirement system, as defined in Code Section 47-20-84, not otherwise described in this
27 subsection, and excluding the Employees' Retirement System of Georgia and the
28 Teachers Retirement System of Georgia, may invest up to 10 percent of the total assets
29 of its fund in real estate; provided, however, that, in the event the fund's assets decrease
30 in value, the fund shall be entitled to retain all real estate investments if owned prior to
31 the reduction in value of assets; provided, further, that no such investment shall be made
32 in any investment vehicle investing in, acquiring, purchasing, owning, renting, managing,
33 or holding single-family homes or residences as a material component of such
34 investment."

35 SECTION 2.

36 Said article is further amended by revising paragraph (1) of subsection (d) of Code Section
37 47-20-87, relating to eligible large retirement systems authorized to invest in certain
38 alternative investments, as follows:

39 "(d)(1)(A) Alternative investments by an eligible large retirement system shall not in
40 the aggregate exceed ~~10~~ 15 percent of the eligible large retirement system's assets at
41 any time.

42 (B) Notwithstanding subparagraph (A) of this paragraph, alternative investments by
43 the Georgia Firefighters' Pension Fund shall not in the aggregate exceed 20 percent of
44 its assets at any time.

45 (B.1) Notwithstanding subparagraph (A) of this paragraph, alternative investments by
46 the Peace Officers' Annuity and Benefit Fund shall not in the aggregate exceed 15
47 percent of its assets at any time.

48 (C) Notwithstanding subparagraph (A) of this paragraph, the Teachers Retirement
49 System of Georgia shall not in the aggregate exceed 5 percent of such system's assets
50 at any time.

51 (D) Notwithstanding subparagraph (A) of this paragraph, the Employees' Retirement
52 System of Georgia shall not in the aggregate exceed 10 percent of such system's assets
53 at any time."

54 **SECTION 3.**

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