

[OFFICIAL COPY REPRINT]

SENATE, No. 279

STATE OF NEW JERSEY

INTRODUCED MARCH 17, 1952

By Mr. BODINE

Referred to Committee on State Government Reorganization

AN ACT to amend "An act relating to the reorganization of the executive and administrative offices, departments and instrumentalities of the State Government; and establishing and concerning a division of investment within the Department of the Treasury," approved July first, one thousand nine hundred and fifty (P. L. 1950, c. 270).

1 BE IT ENACTED *by the Senate and General Assembly of the State of New*
2 *Jersey:*

1 1. Section five of the act of which this act is amendatory is amended to
2 read as follows:

3 5. There is hereby established in the Division of Investment a State
4 Investment Council which shall consist of ten members.

5 Within ten days after the effective date of this act each of the follow-
6 ing agencies, namely, the Board of Trustees of the State Employees' Re-
7 tirement System, the Prison Officers' Pension Commission, the Board of
8 Trustees of the Teachers' Pension and Annuity Fund, the Board of
9 Trustees of the Police and Firemen's Retirement System of New Jersey
10 and the Consolidated Police and Firemen's Pension Fund Commission, shall
11 designate one of their respective members to serve as a member of the State
12 Investment Council herein established. The five members of the council
13 so selected shall serve as such for a period of one year from the date
14 of their selection and until their respective successors are in like manner

15 selected. Each of the remaining five members of the State Investment Council shall be appointed by the Governor for a term of five years and shall serve until his successor is appointed and has qualified; except that of the first appointments to be made by the Governor hereunder, one shall be for a term of one year, one for a term of two years, one for a term of three years, one for a term of four years, and one for a term of five years, and they shall serve until their respective successors are appointed and have qualified. The term of each of the members first appointed hereunder by the Governor shall be designated by the Governor.

24 At least three of the five members appointed by the Governor to the council shall be qualified by training and experience in the field of investment and finance. No member of the State Investment Council shall hold any office, position or employment in any political party nor shall any such member benefit directly or indirectly from any transaction made by the Director of the Division of Investment provided for herein.

30 The members of the council shall elect annually from their number a chairman of such council. Any member of the council so elected shall serve as such chairman for a term of one year and until his successor is, in like manner, elected. The chairman of the council shall be its presiding officer.

35 The members of the council shall serve without compensation but shall be reimbursed for necessary expenses incurred in the performance of their duties as approved by the chairman of the council.

38 Each member of the council may be removed from office by the Governor, for cause, upon notice and opportunity to be heard at a public hearing. Any vacancy in the membership of the council occurring other than by expiration of term shall be filled in the same manner as the original appointment, but for the unexpired term only.

1 2. Section eight of the act of which this act is amendatory is amended to
2 read as follows:

3 8. The functions, powers and duties of, or relating to, investment or
4 reinvestment of moneys of, and purchase, sale or exchange of, any invest-
5 ments or securities of or for, any of the following funds, namely:

6 the 1837 Surplus Revenue Fund;

7 the Veterans Loan Guaranty and Insurance Fund;

8 the Stock Workmen's Compensation Security Fund;

9 the Mutual Workmen's Compensation Security Fund; and

10 the Consolidated Police and Firemen's Pension Fund;

11 and the functions, powers and duties of, or relating to, investment or rein-
12 vestment of moneys and purchase, sale or exchange of any investments
13 or securities pursuant to the provisions of chapter one hundred forty-eight
14 of the laws of one thousand nine hundred and forty-four, and chapter one
15 hundred fifty-eight of the laws of one thousand nine hundred and forty-
16 seven; are hereby transferred to and shall be exercised and performed by
17 the Director of the Division of Investment established hereunder; *provided,*
18 *however,* that before any investment, reinvestment, purchase, sale or exchange
19 may be made by said director pursuant to the provisions of this section, he shall
20 submit the details thereof to the State Treasurer, who shall, within forty-
21 eight hours, exclusive of Sundays and public holidays, after such submis-
22 sion to him, file with the director his written acceptance or rejection of such
23 proposed investment, reinvestment, purchase, sale or exchange; and the di-
24 rector shall have authority to make such investment, reinvestment, pur-
25 chase, sale or exchange unless there shall have been filed with him a writ-
26 ten rejection thereof by the State Treasurer as herein provided.

1 3. This act shall take effect July first, one thousand nine hundred and
2 fifty-two.

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14 of their selection and until their respective successors are in like manner
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16 cil shall be appointed by the Governor for a term of five years and shall
17 serve until his successor is appointed and has qualified; except that of the
18 first appointments to be made by the Governor hereunder, one shall be for
19 a term of one year, one for a term of two years, one for a term of three
20 years, one for a term of four years, and one for a term of five years, and
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22 qualified. The term of each of the members first appointed hereunder by
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27 any office, position or employment in any political party nor shall any such
28 member benefit directly or indirectly from any transaction made by the Di-
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7 the Veterans Loan Guaranty and Insurance Fund;

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2 fifty-two.

STATEMENT

This is intended to be a companion bill with Senate Bill No. 129, entitled "An act to consolidate and place under the control of a State Commission all pension funds heretofore created pursuant to chapter 160 of the laws of 1920, as amended and supplemented, for policemen and firemen; creating a State commission for the control and administration of such consolidated fund; providing for the achievement and maintenance of the actuarial solvency of such fund; amending sections 43:16-1, 43:16-2, 43:16-5, 43:16-6 and 43:16-7, and supplementing chapter sixteen of Title 43 of the Revised Statutes" for the purpose of bringing the provisions of the last-mentioned bill into consistency with the provisions of the act of which the bill above set forth is intended to be an amendment. More specifically, the proposed legislation to consolidate police and firemen's pension funds in a single State fund, administered by a State commission created thereby for that purpose, provides in part for the investment of the assets of the Consolidated Fund created thereby by the Director of the Division of Investment in accordance with the provisions of chapter 270, P. L. 1950. The present bill would amend sections 5 and 8 of the mentioned chapter to include within the powers thereby delegated to the Director of the Division of Investment, the supervision of the investment of the Consolidated Pension Fund created as aforesaid, and for the inclusion upon said Division of Investment Council one member elected by the Consolidated Police and Firemen's Pension Fund Commission.

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