

ASSEMBLY, No. 747

STATE OF NEW JERSEY

INTRODUCED MAY 16, 1966

By Assemblyman HALPIN

Referred to Committee on Business Affairs

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 1, 1950 (P. L. 1950, c. 270) and repealing sections 2, 3, 4 and 10 thereof.

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

1 1. Section 5 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 10 members.

5 Within 10 days after the effective date of this act each of the following  
6 agencies, namely, the Board of Trustees of the **[State]** Public Employees'  
7 Retirement System, the **[Prison Officers' Pension Commission]** Board of  
8 Trustees of the State Police Retirement System, the Board of Trustees of  
9 the Teachers' Pension and Annuity Fund, the Board of Trustees of the  
10 Police and Firemen's Retirement System of New Jersey and the Consoli-  
11 dated Police and Firemen's Pension Fund Commission, shall designate one  
12 of their respective members to serve as a member of the State Investment  
13 Council herein established. The 5 members of the council so selected shall

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

14 serve as such for a period of 1 year from the date of their selection and  
15 until their respective successors are in like manner selected. Each of the  
16 remaining 5 members of the State Investment Council shall be appointed by  
17 the Governor for a term of 5 years and shall serve until his successor is ap-  
18 pointed and has qualified; except that of the first appointments to be made  
19 by the Governor hereunder, one shall be for a term of 1 year, one for a term  
20 of 2 years, one for a term of 3 years, one for a term of 4 years, and one for  
21 a term of 5 years, and they shall serve until their respective successors  
22 are appointed and have qualified. The term of each of the members first  
23 appointed hereunder by the Governor shall be designated by the Governor.

24 At least 3 of the 5 members appointed by the Governor to the council  
25 shall be qualified by training and experience in the field of investment and  
26 finance. No member of the State Investment Council shall hold any office,  
27 position or employment in any political party nor shall any such member  
28 benefit directly or indirectly from any transaction made by the Director of  
29 the Division of Investment provided for herein.

30 The members of the council shall elect annually from their number a  
31 chairman of such council. Any member of the council so elected shall serve  
32 as such chairman for a term of 1 year and until his successor is, in like  
33 manner, elected. The chairman of the council shall be its presiding officer.

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

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

1 2. Section 7 of the act of which this act is amendatory is amended to  
2 read as follows:

3 7. The functions, powers and duties vested by law in the following enu-  
4 merated agencies:

5 The Board of Trustees of the [State] Public Employees' Retirement  
6 System; *the Board of Trustees of the State Police Retirement System*; the  
7 Prison Officers' Pension Commission; the Board of Trustees of the Teachers'  
8 Pension and Annuity Fund; the Board of Trustees of the Police and Fire-  
9 men's Retirement System of New Jersey; and the Consolidated Police and  
10 Firemen's Pension Fund Commission; of, or relating to, investment or re-  
11 investment of moneys of, and purchase, sale or exchange of any invest-  
12 ments or securities of or for any funds or accounts under the control and  
13 management of such agencies, are hereby transferred to and shall be exer-  
14 cised and performed for such agencies by the Director of the Division of  
15 Investment established hereunder; provided, however, that before any such  
16 investment, reinvestment, purchase, sale or exchange may be made by said  
17 director for or on behalf of any such agency, he shall submit the details  
18 thereof to such agency, which shall, within 48 hours, exclusive of Sundays  
19 and public holidays, after such submission to it, file with the director its  
20 written acceptance or rejection of such proposed investment, reinvestment,  
21 purchase, sale or exchange, and the director shall have authority to make  
22 such investment, reinvestment, purchase, sale or exchange for or on behalf  
23 of such agency unless there shall have been filed with him a written rejec-  
24 tion thereof by such agency as herein provided.

1 3. Sections 2, 3, 4 and 10 of P. L. 1950, chapter 270 are repealed.

1 4. This act shall take effect immediately.