

SENATE BILL 1719

By Stevens

AN ACT to amend Tennessee Code Annotated, Section 9-3-507, relative to political subdivision pension plan assets.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 9-3-507, is amended by adding the following as a new subsection:

( ) Notwithstanding any law to the contrary, to the extent that some or all of a political subdivision's pension plan assets intended to be invested pursuant to subsection (c) do not comport with the investment policy for the Tennessee consolidated retirement system:

(1) The board of trustees for the Tennessee consolidated retirement system may permit, as a written exception or amendment to the investment policy, the co-investment of the pension plan assets with the pension plan assets for the Tennessee consolidated retirement system under subsection (c). Such an exception or amendment shall contain the limitations, conditions, or restrictions on the co-investment of pension plan assets, including, but not limited to, the management strategy and timeframe for the conversion or liquidation of the pension plan assets to an investment authorized by the retirement system's investment policy within a reasonable period of time, considering the market for such investments. An exception or amendment under this subsection ( ) may address multiple pension plans, a single pension plan, or be general in nature; or

(2) The state treasurer may take custody of the pension plan assets in an account separate from the Tennessee consolidated retirement system assets.

The state treasurer shall invest the pension plan assets in accordance with the political subdivision's investment policy. The political subdivision's agreement for services provided under this section shall provide:

(A) The limitations, conditions, or restrictions on the investment of pension plan assets, including, but not limited to, the management strategy and timeframe for the conversion or liquidation of the pension plan assets to an investment authorized by the retirement system's investment policy within a reasonable period of time, considering the market for such investments; and

(B) A charge assessed to the political subdivision for such services.

(3) Nothing in this subsection ( ) shall prohibit a portion of a political subdivision's assets from being co-invested while a portion of the political subdivision's assets are invested separately under this subsection ( ).

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring

it.