

HOUSE BILL No. 5922

November 6, 2014, Introduced by Rep. Jenkins and referred to the Committee on Financial Services.

A bill to amend 1965 PA 314, entitled "Public employee retirement system investment act," by amending section 20a (MCL 38.1140a), as amended by 2000 PA 307.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 20a. (1) Except as provided in subsection (2), an
2 investment fiduciary of a system having assets of more than
3 \$250,000,000.00 may invest not more than 2% of a ~~THE~~ system's
4 assets in a debt, warrant, or equity interest in a small business
5 having more than 1/2 of the small business's assets or employees
6 within this state, or in a debt, warrant, or equity interest in a
7 small business investment company or venture capital firm having
8 its principal office or more than 1/2 of its assets within this

1 state, or the system may create, own, hold, buy, sell, operate,
2 manage, and direct 1 or more small business investment companies or
3 venture capital firms designed to invest in small businesses having
4 more than 1/2 of their assets or employees within this state. An
5 investment fiduciary may also join with a group composed of other
6 public employee retirement systems, pension systems subject to the
7 employee retirement income security act of 1974, Public Law 93-406,
8 88 Stat. 829, financial institutions, corporations, or governmental
9 agencies or instrumentalities to accomplish the purposes of this
10 section. An investment in stock under this section ~~shall be~~
11 ~~considered~~ **IS** an investment in stock under section 14 only for the
12 purpose of determining the 70% maximum investment limitation
13 ~~contained in~~ **UNDER** section 14.

14 (2) If the investment fiduciary of a system is the state
15 treasurer, investments described in subsection (1) may exceed 2% of
16 the assets of the system, but shall not exceed 5% of the assets of
17 the system.

18 **(3) SUBJECT TO THIS SUBSECTION, AN INVESTMENT FIDUCIARY OF A**
19 **SYSTEM HAVING ASSETS OF \$15,000,000.00 OR MORE BUT LESS THAN**
20 **\$250,000.000.00 MAY INVEST NOT MORE THAN 5% OF THE SYSTEM'S ASSETS**
21 **IN INVESTMENTS DESCRIBED IN SUBSECTION (1). THE INVESTMENT**
22 **FIDUCIARY SHALL NOT INVEST MORE THAN \$100,000.00 IN ANY 1 SMALL**
23 **BUSINESS, SMALL BUSINESS INVESTMENT COMPANY, OR VENTURE CAPITAL**
24 **FIRM DESCRIBED IN SUBSECTION (1).**