

ASSEMBLY, No. 2858

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED FEBRUARY 20, 2020

Sponsored by:

Assemblyman GARY S. SCHAER

District 36 (Bergen and Passaic)

SYNOPSIS

Makes permanent certain temporary authorizations that expanded permitted investment by Director of Division of Investment of State of New Jersey Cash Management Fund and State pension funds.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ACT** making permanent certain temporary authorizations that
2 expanded the range of investment vehicles in which the Director
3 of the Division of Investment may invest moneys of the State of
4 New Jersey Cash Management Fund and State pension funds,
5 supplementing P.L.1977, c.281 (C.52:18A-90.4 et seq.) and
6 supplementing P.L.1970, c.270 (C.52:18A-90.1 et seq.).
7

8 **BE IT ENACTED** *by the Senate and General Assembly of the State*
9 *of New Jersey:*
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11 1. a. Notwithstanding the provision of any law or regulation to
12 the contrary, the Director of the Division of Investment may invest
13 the public moneys of the State of New Jersey Cash Management
14 Fund or a separate fund created pursuant to subsection g. of section
15 1 of P.L.1977, c.281 (C.52:18A-90.4) in bonds or notes with
16 maturities not greater than one year issued by the State and its
17 authorities, or by any local government unit of the State, that are
18 exempt from both federal and State taxes, in accordance with
19 federal and State laws and regulations.

20 b. Notwithstanding the provision of any law or regulation to
21 the contrary, the Director of the Division of Investment may invest
22 the public moneys of the State of New Jersey Cash Management
23 Fund or a separate fund created pursuant to subsection g. of section
24 1 of P.L.1977, c.281 (C.52:18A-90.4) without limitation as to
25 amount or percentage invested in any one issue of obligations, and
26 without limitation as to ratings, provided such issue of obligations
27 is insured or guaranteed by the Federal Deposit Insurance
28 Corporation (FDIC) or the National Credit Union Share Insurance
29 Fund (NCUSIF). Consistent with the director's fiduciary
30 responsibilities, the director may give preference to investments
31 issued by financial institutions that through participation in
32 programs administered by the New Jersey Economic Development
33 Authority, including the Preferred Lender Program, provide access
34 to capital to businesses in New Jersey.
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36 2. Notwithstanding the provision of any law or regulation to
37 the contrary, the Director of the Division of Investment may invest
38 the public moneys of Common Pension Fund B, created pursuant to
39 section 1 of P.L.1970, c.270 (C.52:18A-90.1), without limitation as
40 to the amount or percentage invested in any one issue of
41 obligations, and without limitation as to ratings, provided such issue
42 of obligations is insured or guaranteed by the Federal Deposit
43 Insurance Corporation (FDIC) or the National Credit Union Share
44 Insurance Fund (NCUSIF). Consistent with the director's fiduciary
45 responsibilities, the director may give preference to investments
46 issued by financial institutions that through participation in
47 programs administered by the New Jersey Economic Development

1 Authority, including the Preferred Lender Program, provide access
2 to capital to businesses in New Jersey.

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4 3. This act shall take effect immediately.

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STATEMENT

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9 The bill makes permanent temporary authorizations that
10 expanded the range of investment vehicles in which the Director of
11 the Division of Investment may invest moneys of the State of New
12 Jersey Cash Management Fund and certain State pension funds.

13 The bill makes permanent the explicit authorization for the
14 director to invest moneys of the State of New Jersey Cash
15 Management Fund in bonds or notes with maturities not greater
16 than one year issued by the State and its authorities, or by any local
17 government unit of the State, that are exempt from both federal and
18 State taxes.

19 The bill also makes permanent the authorization for the director
20 to invest moneys of the State of New Jersey Cash Management
21 Fund and Common Pension Fund B in obligations guaranteed by the
22 Federal Deposit Insurance Corporation (FDIC) or the National
23 Credit Union Share Insurance Fund (NCUSIF).

24 Additionally, the bill makes permanent the authorization for the
25 director to give preference to those investments issued by financial
26 institutions that through participation in programs administered by
27 the New Jersey Economic Development Authority, including the
28 Preferred Lender Program, provide access to capital to businesses in
29 New Jersey. This preference is allowed only insofar as it is
30 consistent with the director's fiduciary duty.