

ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2858

STATE OF NEW JERSEY

DATED: MARCH 5, 2020

The Assembly Financial Institutions and Insurance Committee reports favorably Assembly Bill No. 2858.

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

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

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

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