



128th MAINE LEGISLATURE

FIRST REGULAR SESSION-2017

Legislative Document

No. 907

H.P. 635

House of Representatives, March 7, 2017

**An Act Requiring Investments by the Maine Public Employees
Retirement System To Be Well-diversified**

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative STEWART of Presque Isle.
Cosponsored by Senator KATZ of Kennebec and
Representatives: FREDETTE of Newport, LOCKMAN of Amherst, SEAVEY of
Kennebunkport, SIROCKI of Scarborough, TIMBERLAKE of Turner, WINSOR of Norway,
Senator: HAMPER of Oxford.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 5 MRSA §17108, sub-§2, ¶A,** as amended by PL 2003, c. 618, Pt. B, §1
3 and affected by §20, is further amended to read:

4 A. The fiduciary or registered investment advisor shall invest and reinvest the funds
5 of the retirement system in accordance with the standards defined in Title 18-B,
6 sections 802 to 807 and chapter 9. The investment and reinvestment are subject to
7 periodic review by the board and the investment and reinvestment of funds may not
8 be made in narrowly tailored asset classes but must comprise well-diversified asset
9 classes that will generate the maximum return.

10 **Sec. 2. 5 MRSA §17153, sub-§3,** as amended by PL 2003, c. 618, Pt. B, §2 and
11 affected by §20, is further amended to read:

12 **3. Investment of funds.** The board may cause the funds created by this Part to be
13 invested and reinvested in accordance with the standards defined in Title 18-B, sections
14 802 to 807 and chapter 9, subject to periodic approval of the investment program by the
15 board. The board shall ensure that the investment and reinvestment of funds is not made
16 in narrowly tailored asset classes but comprises investment and reinvestment of funds in
17 well-diversified asset classes that will generate the maximum return.

18 **SUMMARY**

19 This bill requires that the Board of Trustees of the Maine Public Employees
20 Retirement System invest and reinvest retirement system funds in well-diversified asset
21 classes that will generate the maximum return and prohibits investment in narrowly
22 tailored asset classes.