

HOUSE BILL No. 1004

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-10.2-2-18.

Synopsis: Alternative investments by pension funds. Encourages the boards of trustees of the public employees' retirement fund and the Indiana state teachers' retirement fund to invest at least 5% of the funds under their control and available for investment in alternative investments. Encourages the boards to place at least \$100,000,000 of these alternative investments in certain business sectors over the next ten years. Requires the boards to exercise financial and fiduciary prudence to identify appropriate alternative investments.

Effective: July 1, 2003.

Kromkowski

January 15, 2003, read first time and referred to Committee on Labor and Employment.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

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HOUSE BILL No. 1004



A BILL FOR AN ACT to amend the Indiana Code concerning pensions.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 5-10.2-2-18 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2003]: **Sec. 18. (a) As used in this section, "alternative**
4 **investment" means capital invested in the privately held equity or**
5 **debt assets of a domestic or an international private business and**
6 **includes investment in any of the following:**
7 (1) **Unlisted or illiquid common and preferred stock.**
8 (2) **Venture capital.**
9 (3) **Corporate buyouts and acquisitions.**
10 (4) **Restructuring, recovery, and hedge funds.**
11 (5) **Limited and blind pool partnerships.**
12 (6) **Special situation and private finance investments.**
13 (7) **Limited liability companies.**
14 (8) **Group trusts.**
15 (9) **Unsecured, undersecured, subordinated senior, or**
16 **convertible loans or debt securities of privately held**
17 **companies.**



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- (10) Real estate investment trusts, mortgages, "turn around" situations, commercial leases, and joint ventures.**
- (11) Commodity trading.**
- (b) The board is encouraged to invest at least five percent (5%) of the funds under its control and available for investment in alternative investments. In making these investments, the board must exercise financial and fiduciary prudence to identify appropriate alternative investments.**
- (c) In selecting investments under this section, the board is encouraged to invest at least one hundred million dollars (\$100,000,000) over the ten (10) years beginning July 1, 2003, in the Indiana operations of companies in the following business sectors:**
 - (1) Advanced manufacturing.**
 - (2) Life sciences.**
 - (3) Information technology.**
 - (4) Twenty-first century logistics.**

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