

PREVAILED	Roll Call No. _____
FAILED	Ayes _____
WITHDRAWN	Noes _____
RULED OUT OF ORDER	

# HOUSE MOTION \_\_\_\_\_

MR. SPEAKER:

I move that Engrossed Senate Bill 568 be amended to read as follows:

- 1           Page 1, between the enacting clause and line 1, begin a new
- 2           paragraph and insert:
- 3           "SECTION 1. IC 5-10.2-2-19 IS ADDED TO THE INDIANA
- 4           CODE AS A NEW SECTION TO READ AS FOLLOWS
- 5           [EFFECTIVE JULY 1, 2007]: **Sec. 19. (a) As used in this section,**
- 6           **"emerging money manager" means an investment adviser that:**
- 7                 **(1) has an investment portfolio of less than one billion dollars**
- 8                 **(\$1,000,000,000) on July 1, 2007; and**
- 9                 **(2) is a minority business enterprise (as defined in**
- 10                **IC 4-13-16.5-1) or a women-owned business enterprise (as**
- 11                **defined in IC 5-16-6.5-3).**
- 12           **(b) The board of each fund is strongly encouraged to use**
- 13           **emerging money managers to the greatest extent feasible in**
- 14           **managing the assets of the fund.**
- 15           **(c) Except as provided in subsection (d), not later than**
- 16           **December 31, 2008, each board shall contract for and employ:**
- 17                 **(1) emerging money managers that are minority business**
- 18                 **enterprises to manage at least fifteen percent (15%) of the**
- 19                 **assets under the board's control; and**
- 20                 **(2) emerging money managers that are women-owned**
- 21                 **business enterprises to manage at least five percent (5%) of**
- 22                 **the assets under the board's control.**
- 23           **(d) Beginning with the 2007 annual report, each fund shall**
- 24           **provide the following information in its annual report each year:**

1           **(1) The identity of each emerging money manager used by the**  
 2           **fund.**

3           **(2) The percentage of the fund's assets under the investment**  
 4           **control of each emerging money manager used by the fund.**

5           **If either fund, exercising financial and fiduciary prudence,**  
 6           **determines that it is unable to meet the percentages set forth in**  
 7           **subsection (c), the fund shall include in its annual report a**  
 8           **description of efforts made to meet the percentages and a**  
 9           **description of the fund's plan to achieve the percentages as quickly**  
 10           **as possible."**

11           Page 1, between lines 14 and 15, begin a new paragraph and insert:

12           "SECTION 3. IC 5-10.3-5-4 IS AMENDED TO READ AS  
 13 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) Securities shall  
 14 be held for the fund by banks or trust companies under a custodial  
 15 agreement. Income, interest, proceeds of sale, materials, redemptions,  
 16 and all other receipts from securities and other investments which the  
 17 board retains for the cash working balance shall be deposited with the  
 18 treasurer of state.

19           (b) **Subject to IC 5-10.2-2-19**, the board may contract with  
 20 investment counsel, trust companies, or banks to assist the board in its  
 21 investment program.

22           SECTION 4. IC 5-10.4-3-10, AS ADDED BY P.L.2-2006,  
 23 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 24 JULY 1, 2007]: Sec. 10. (a) The board shall invest its assets with the  
 25 care, skill, prudence, and diligence that a prudent person acting in a  
 26 like capacity and familiar with such matters would use in the conduct  
 27 of an enterprise of a like character with like aims. The board also shall  
 28 diversify investments in accordance with prudent investment standards,  
 29 subject to the limitations and restrictions set forth in IC 5-10.2-2-18.

30           (b) The board may:

31           (1) make or have investigations made concerning investments;  
 32           and

33           (2) contract for and employ investment counsel to advise and  
 34           assist in the purchase and sale of securities, **subject to**  
 35           **IC 5-10.2-2-19.**

36           (c) The board is not subject to IC 4-13, IC 4-13.6, or IC 5-16 when  
 37           managing real property as an investment. A management agreement  
 38           entered into by the board shall ensure that the management agent acts  
 39           in a prudent manner regarding the purchase of goods and services.  
 40           Contracts for the management of investment property shall be  
 41           submitted to the governor, the attorney general, and the budget agency  
 42           for approval. A contract for the management of real property as an  
 43           investment:

44           (1) may not exceed a four (4) year term and must be based upon  
 45           guidelines established by the board;

46           (2) may provide that the property manager may collect rent and

- 1 make disbursements for routine operating expenses such as  
2 utilities, cleaning, maintenance, and minor tenant finish needs;  
3 (3) shall establish, consistent with the board's duty under  
4 IC 30-4-3-3(c), guidelines for the prudent management of  
5 expenditures related to routine operation and capital  
6 improvements; and  
7 (4) may provide specific guidelines for the board to:  
8 (A) purchase new properties;  
9 (B) contract for the construction or repair of properties; and  
10 (C) lease or sell properties;  
11 without individual transactions requiring the approval of the  
12 governor, the attorney general, the Indiana department of  
13 administration, and the budget agency. However, each individual  
14 contract involving the purchase or sale of real property is subject  
15 to review and approval by the attorney general at the specific  
16 request of the attorney general.  
17 (d) Whenever the board takes bids in managing or selling real  
18 property, the board shall require a bid submitted by a trust (as defined  
19 in IC 30-4-1-1(a)) to identify all the following:  
20 (1) Each beneficiary of the trust.  
21 (2) Each settlor empowered to revoke or modify the trust."  
22 Renumber all SECTIONS consecutively.  
(Reference is to ESB 568 as printed March 16, 2007.)

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Representative Crawford