

SECOND REGULAR SESSION

SENATE BILL NO. 1000

100TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR ONDER.

Read 1st time February 12, 2020, and ordered printed.

ADRIANE D. CROUSE, Secretary.

5197S.011

AN ACT

To repeal sections 104.150, 104.440, 104.1069, and 105.688, RSMo, and to enact in lieu thereof five new sections relating to the public disclosure of certain financial information of public employee retirement systems.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 104.150, 104.440, 104.1069, and 105.688, RSMo, are
2 repealed and five new sections enacted in lieu thereof, to be known as sections
3 104.150, 104.440, 104.632, 104.1069, and 105.688, to read as follows:

104.150. 1. The board shall set up and maintain a transportation
2 department employees' and highway patrol retirement and benefit fund account
3 in which shall be placed all payroll deductions, deferred compensation, payments
4 and income from all sources. All property, money, funds, investments, and rights
5 which shall belong to, or be available for expenditure or use by, the system shall
6 be dedicated to and held in trust for the members and for the purposes set out in
7 sections 104.010 to 104.270 and sections 104.600 to 104.800 and no other. The
8 board, in the name and on behalf of the system, may purchase, acquire, hold,
9 invest, lend, lease, sell, assign, transfer, and dispose of all property, rights, and
10 securities, and enter into written contracts, when necessary or proper to carry out
11 the purposes of sections 104.010 to 104.270 and sections 104.600 to 104.800.

12 2. All moneys received by or belonging to the system shall be paid to the
13 executive director and by him deposited to the credit of the system in one or more
14 banks or trust companies. No such money shall be deposited in or be retained by
15 any bank or trust company which does not have on deposit with and for the board
16 at the time the kind and value of collateral required by section 30.270 for
17 depositaries of the state treasurer. The executive director shall be responsible for

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

18 all funds, securities, and property belonging to the system, and shall give such
19 corporate surety bond for the faithful handling of the same as the board shall
20 require.

21 3. The board may invest the funds of the system as permitted by sections
22 [105.686] **105.687** to 105.690.

23 4. **On or after August 28, 2020, no investment asset shall be**
24 **purchased or investment contract executed unless all documents**
25 **relating to such investment shall be a public record under chapter**
26 **610. All investment assets and investment contracts purchased or**
27 **executed prior to August 28, 2020, shall not be extended, renewed, or**
28 **otherwise continued past their original expiration date unless all**
29 **documents relating to such investments shall be a public record under**
30 **chapter 610.**

31 5. **All investment assets and contracts shall be presented to the**
32 **board for approval prior to the investment of funds in such investment.**

104.440. 1. The board shall set up and maintain a Missouri state
2 employees' retirement and benefit fund account in which shall be placed all
3 payroll deductions, deferred compensation, payments, and income from all
4 sources. All property, money, funds, investments, and rights which shall belong
5 to, or be available for expenditure or use by, the system shall be dedicated to and
6 held in trust for the members and for the purposes herein set out and no
7 other. The board shall have power, in the name and on behalf of the system, to
8 purchase, acquire, hold, invest, lend, lease, sell, assign, transfer, and dispose of
9 all property, rights, and securities, and enter into written contracts, all as may
10 be necessary or proper to carry out the purposes of sections 104.010 and 104.320
11 to 104.800.

12 2. All moneys received by or belonging to the system shall be paid to the
13 executive director and deposited by the executive director to the credit of the
14 system in one or more banks or trust companies. No such money shall be
15 deposited in or be retained by any bank or trust company which does not have on
16 deposit with and for the board at the time the kind and value of collateral
17 required by sections 30.240 and 30.270 for depositaries of the state
18 treasurer. The executive director shall be responsible for all funds, securities,
19 and property belonging to the system, and shall give such corporate surety bond
20 for the faithful handling of the same as the board shall require.

21 3. The board may invest the funds of the system as permitted by sections

22 [105.686] **105.687** to 105.690.

23 **4. On or after August 28, 2020, no investment asset shall be**
24 **purchased or investment contract executed unless all documents**
25 **relating to such investment shall be a public record under chapter**
26 **610. All investment assets and investment contracts purchased or**
27 **executed prior to August 28, 2020, shall not be extended, renewed, or**
28 **otherwise continued past their original expiration date unless all**
29 **documents relating to such investments shall be a public record under**
30 **chapter 610.**

31 **5. All investment assets and contracts shall be presented to the**
32 **board for approval prior to the investment of funds in such investment.**

104.632. The salaries, bonuses, and all other compensation of all
2 **employees of either system established pursuant to this chapter shall**
3 **be maintained, regularly updated, easily searchable, and available**
4 **without charge on the Missouri accountability portal established under**
5 **section 37.850 by the office of administration.**

104.1069. 1. All assets of the year 2000 plan shall be dedicated to and
2 held in trust for the [persons] **members** covered by the year 2000 plan and for
3 the purposes herein set out and no other. Each board shall have full power, in
4 the name and on behalf of the year 2000 plan, to manage the assets of the year
5 2000 plan as described in sections 104.150 and 104.440.

6 2. The board shall invest the funds of the system as permitted by sections
7 105.687 to 105.690. Trustees of a board may delegate to employees of the system,
8 or to an agent, functions that a prudent trustee acting in a like capacity and
9 familiar with those matters could properly delegate.

10 3. [Each board may deliberate about, or make tentative or final decisions
11 on, investments or other financial matters in executive session if disclosure of the
12 deliberations or decisions would jeopardize the ability to implement a decision or
13 to achieve investment objectives. A record of each system that discloses
14 deliberations about, or a tentative or final decision on, investments or other
15 financial matters is not a public record under chapter 610 to the extent and so
16 long as its disclosure would jeopardize the ability to implement a decision or to
17 achieve investment objectives.] **On or after August 28, 2020, no investment**
18 **asset shall be purchased or investment contract executed unless all**
19 **documents relating to such investment shall be a public record under**
20 **chapter 610. All investment assets and investment contracts purchased**

21 **or executed prior to August 28, 2020, shall not be extended, renewed, or**
22 **otherwise continued past their original expiration date unless all**
23 **documents relating to such investments shall be a public record under**
24 **chapter 610.**

25 **4. All investment assets and contracts shall be presented to the**
26 **board for approval prior to the investment of funds in such investment.**

105.688. 1. The assets of a system may be invested, reinvested and
2 managed by an investment fiduciary subject to the terms, conditions and
3 limitations provided in sections 105.687 to 105.689. An investment fiduciary
4 shall discharge his or her duties in the interest of the [participants] **members**
5 in the system and their beneficiaries and shall:

6 (1) Act with the same care, skill, prudence, and diligence under the
7 circumstances then prevailing that a prudent person acting in a similar capacity
8 and familiar with those matters would use in the conduct of a similar enterprise
9 with similar aims;

10 (2) Act with due regard for the management, reputation, and stability of
11 the issuer and the character of the particular investments being considered;

12 (3) Make investments for the purposes of providing benefits to
13 [participants] **members** and [participants'] **members'** beneficiaries, and of
14 defraying reasonable expenses of investing the assets of the system;

15 (4) Give appropriate consideration to those facts and circumstances that
16 the investment fiduciary knows or should know are relevant to the particular
17 investment or investment course of action involved, including the role of the
18 investment or investment course of action plays in that portion of the system's
19 investments for which the investment fiduciary has responsibility. For purposes
20 of this subdivision, "appropriate consideration" shall include, but is not
21 necessarily limited to a determination by the investment fiduciary that a
22 particular investment or investment course of action is reasonably designed, as
23 part of the investments of the system, to further the purposes of the system,
24 taking into consideration the risk of loss and the opportunity for gain or other
25 return associated with the investment or investment course of action; and
26 consideration of the following factors as they relate to the investment or
27 investment course of action:

28 (a) The diversification of the investments of the system;

29 (b) The liquidity and current return of the investments of the system
30 relative to the anticipated cash flow requirements of the system; and

31 (c) The projected return of the investments of the system relative to the
32 funding objectives of the system;

33 (5) [Give appropriate consideration to] **Whether the** investments [which]
34 would enhance the general welfare of this state and its citizens [if those
35 investments offer] **by providing** the safety and rate of return comparable to
36 other investments available to the investment fiduciary at the time the
37 investment decision is made.

38 **2. On or after August 28, 2020, no investment asset shall be**
39 **purchased or investment contract executed unless all documents**
40 **relating to such investment shall be a public record under chapter**
41 **610. All investment assets and investment contracts purchased or**
42 **executed prior to August 28, 2020, shall not be extended, renewed, or**
43 **otherwise continued past their original expiration date unless all**
44 **documents relating to such investments shall be a public record under**
45 **chapter 610.**

46 **3. All investment assets and contracts shall be presented to the**
47 **board for approval prior to the investment of funds in such investment.**

Bill ✓

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