

SENATE BILL 918

By Overbey

AN ACT to amend Tennessee Code Annotated, Title 8, Chapter 37, Part 1, relative to state retirement system investments.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 8-37-104(a)(10), is amended by adding the following language as new subdivision (B) and by redesignating the remaining subdivisions accordingly:

(B) The general assembly recognizes the importance of venture capital and private equity to job creation in this state and encourages responsible investments in venture capital and private equity funds that are Tennessee-based or have an active investment presence in this state and focus a portion of their investment activity in this state. The investment policy established by the board of trustees shall authorize a preference for the retirement system to invest system assets in such funds to the extent investment in such funds is deemed prudent and financially sound by the board of trustees. The investment policy shall stipulate that:

(i) Without written approval of the treasurer, investments in Tennessee-based funds or a fund with an active investment presence in this state that focuses a portion of its investment activity in this state may not exceed ten percent (10%) of all venture capital and private equity investments authorized in this subdivision (a)(10);

(ii) The retirement fund may own up to twenty percent (20%) of the economic interest in a single investment vehicle when such vehicle is a

Tennessee-based fund or a fund with an active investment presence in this state that focuses a portion of its investment activity in this state; and

(iii) The retirement fund may invest as little as five million dollars (\$5,000,000) in a single investment vehicle when such vehicle is a Tennessee-based fund or a fund with an active investment presence in this state that focuses a portion of its investment activity in this state.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.