

WEST VIRGINIA LEGISLATURE

2018 REGULAR SESSION

Introduced

House Bill 4290

**FISCAL
NOTE**

BY DELEGATE WALTERS (SOLE SPONSOR-
RESIGNED 3/7/18)

[Introduced January 24, 2018; Referred
to the Committee on Pensions and Retirement then
Finance.]

1 A BILL to amend and reenact §8-22-22 of the Code of West Virginia, 1931, as amended, relating
 2 to requiring certain funds held by a board of trustee of a policeman’s pension and relief
 3 fund or a firemen’s pension and relief fund be invested with the West Virginia Investment
 4 Management Board.

Be it enacted by the Legislature of West Virginia:

**ARTICLE 22. RETIREMENT BENEFITS GENERALLY; POLICEMEN'S PENSION AND
 RELIEF FUND; FIREMEN'S PENSION AND RELIEF FUND; PENSION PLANS
 FOR EMPLOYEES OF WATERWORKS SYSTEM, SEWERAGE SYSTEM OR
 COMBINED WATERWORKS AND SEWERAGE SYSTEM.**

**§8-22-22. Investment of funds by boards of trustees; exercise of discretion in making
 investments; report of investment plan.**

1 (a) The board of trustees may invest a portion or all of the fund assets in any of the pools,
 2 funds and securities managed by the West Virginia Investment Management Board or West
 3 Virginia Board of Treasury Investments or as otherwise provided in this section. The board of
 4 trustees shall keep as an available sum for the purpose of making regular retirement, disability
 5 retirement, death benefit, payments and administrative expenses in an estimated amount not to
 6 exceed payments for a period of 90 days in short-term investments. The board of trustees, in
 7 acquiring, investing, reinvesting, exchanging, retaining, selling and managing property for the
 8 benefit of the fund, shall do so in accordance with the provisions of the Uniform Prudent Investor
 9 Act codified as §44-6C-1 *et seq.* of this code. Within the limitations of the Uniform Prudent Investor
 10 Act, the board of trustees is authorized in its sole discretion to invest and reinvest any funds
 11 received by it and not invested with the West Virginia Investment Management Board or West
 12 Virginia Board of Treasury Investments.

13 (b) The board of trustees of each fund may delegate investment authority to professional
 14 investment advisors registered with the Securities and Exchange Commission, in accordance with

15 the Investment Advisors Act of 1940, and registered with the appropriate state regulatory
16 agencies, if applicable, and who manage assets in excess of \$75 million: Provided, That
17 beginning January 1, 2019, and every year thereafter, no board of trustees of a policeman's
18 pension and relief fund or a firemen's pension and relief fund which has a funding level of less
19 than 30 percent as determined by the preceding year's annual actuarial valuation of the fund as
20 required by §8-22-20a of this code may delegate investment authority to a professional
21 investment advisor other than the West Virginia Investment Management Board: *Provided,*
22 *however, That this investment with the West Virginia Investment Management Board shall*
23 *continue until the annual valuation of the fund provides that the fund is at least 30 percent funded.*

24 (c) The board of trustees of each fund shall deliver to the State Treasurer or oversight
25 board on or before March 1, 2010, a copy of the pension and relief fund's investment policy. A
26 board of trustees shall submit to the oversight board any change to the investment policy within
27 30 days of the board's authorizing the change.

NOTE: The purpose of this bill is to require the investment with the IMB of municipal fire and police pension funds if the funds are less than 30 percent funded.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.