

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

Codification
District of
Columbia
Official Code

2001 Edition

2005 Winter
Supp.

West Group
Publisher

To amend the District of Columbia Retirement Reform Act of 1979 and the District of Columbia Police Officers, Fire Fighters, and Teachers Retirement Benefit Replacement Plan Act of 1998 to exempt restricted transactions by the Retirement Board unless a disapproval resolution is approved by the Council; to permit the Board to invest Fund assets in pooled real estate investment vehicles, or securities backed by real property located in the District of Columbia, Virginia, or Maryland; to authorize the Retirement Board to establish benefits requirements for its employee; and to increase the compensation for Retirement Board members.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Retirement Reform Act Amendment Act of 2004".

Sec. 2 The District of Columbia Retirement Reform Act of 1979, approved November 17, 1979 (93 Stat. 866; D. C. Official Code § 1-701 *et seq.*), is amended as follows:

(a) Section 102 (D.C. Official Code § 1-702) is amended by adding a new paragraph (21) to read as follows:

Amend
§ 1-702

"(21) The term "pooled or commingled real estate investment vehicle means any real estate investment structure or conveyance formed for the purpose of combining assets of multiple investors in order to achieve greater diversification than could be achieved by any single investor on a stand-alone basis."

(b) Section 121 (D.C. Official Code § 1-711) is amended as follows:

Amend
§ 1-711

(1) Subsection (c)(1) is amended by striking the phrase "(beginning with 1998) may not exceed \$5,000", and inserting the phrase "may not exceed \$10,000" in its place.

(2) Subsection (g)(2) is amended by striking the last sentence, and inserting a new sentence in its place to read as follows:

"Except as provided under subsection (k) of this section, staff appointed by the Board shall be subject to the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Official Code § 1-601.01 *et seq.*)".

(3) Subsection (k) is amended by adding a new sentence at the end to read as follows:

"The Board shall have exclusive authority to establish by regulation alternative benefits requirements for its employees to insure an efficient system of personnel administration and to recruit and retain highly qualified personnel."

(c) Section 141 (D.C. Official Code § 1-721) is amended as follows:

Amend
§ 1-721

(1) Subsection (a) is amended by striking the lead-in sentence, and inserting a new sentence in its place to read as follows:

“(a) Except as provided in subsection (d) of this section, the assets of the Funds may not be invested in the following:”.

(2) Add a new subsection (d) to read as follows:

“(d) The limitations on investments under subsection (a) of this section shall not apply to any of the following investments; provided, that the Board has no discretionary authority for investment decisions in specific geographical regions or political subdivisions, and further provided, that not more than 25% of the interests in pooled or commingled real estate investment vehicles is held by the Fund in:

(1) Pooled or commingled real estate investment vehicles;

(2) Publicly-traded real estate investment trusts and real estate operating companies; or

(3) Pooled or commingled real estate investment vehicles holding pass-through securities that contain mortgages, loans, bonds, notes and other similar instruments issued by private institutions, and that are guaranteed by the federal government or any of its agencies or government-sponsored enterprises.”.

(d) Section 181 (D.C. Official Code § 1-741) is amended as follows:

Amend
§ 1-741

(1) Subsection (h) is amended to read as follows:

“(h) The Board may from time to time avail itself to exemptive relief from all or part of the restrictions imposed by subsections (c) and (d) of this section for administrative exemptions which have been previously granted by the United States Department of Labor. Prior to utilizing exempted transactions, the Board shall hold a public hearing on the proposed exemption. Notice of the time, place, and subject matter of the public hearing shall be published in the D.C. Register at least 15 days in advance of its scheduled date in order to afford interested persons an opportunity to present their views. The proposed exemption shall be published in the D.C. Register and submitted to the Council along with a synopsis of the results of the public hearing, and written findings by the Board that the exemptions are:

“(1) Administratively feasible;

“(2) In the best interests of the funds and of their participants and beneficiaries;

and

“(3) Protective of the rights of participants and beneficiaries of these funds.”.

(2) A new subsection (h-1) is added to read as follows:

“(h-1) Unless the Council disapproves the proposed exemption submitted under subsection (h) of this section by resolution within 30 days of receipt by the Council, the exemption shall be deemed approved. If a resolution of disapproval has been introduced by at least one member of the Council within the 5-day period (excluding Saturdays, Sundays, and holidays) following its receipt, the period of Council review shall be extended by an additional 15 days (excluding Saturdays, Sundays, and holidays) from the date of its receipt. If the resolution of disapproval has not been approved within the 15-day extended period, the proposed exemption shall be deemed approved.”.

Sec. 3. Section 131 of the District of Columbia Police Officers, Fire Fighters, and Teachers Retirement Benefit Replacement Plan Act of 1998, effective September 18, 1998 (D.C. Law 12-152; D.C. Official Code § 1-907.01), is amended as follows:

Amend
§ 1-907.01

(a) Subsection (a) is amended by striking the lead-in sentence and inserting a new sentence in its place to read as follows:

“(a) Except as provided in subsection (c) of this section), the assets of the Funds may not

be invested in the following:”.

(b) A new subsection (c) is added to read as follows:

“(c) The limitations on investments under subsection (a) of this section shall not apply to any of the following investments; provided, that the Board has no discretionary authority for investment decisions in specific geographical regions or political subdivisions, and further provided, that not more than 25% of the interests in pooled or commingled real estate investment vehicles is held by the Fund in:

“(1) Pooled or commingled real estate investment vehicles;

“(2) Publicly-traded real estate investment trusts and real estate operating companies; or

“(3) Pooled or commingled real estate investment vehicles holding pass-through securities that contain mortgages, loans, bonds, notes and other similar instruments issued by private institutions, and that are guaranteed by the federal government or any of its agencies or government-sponsored enterprises.”.

Sec. 4. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 2, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

Sec. 5. Effective date.

This act shall take effect following approval by the Mayor (or in event of veto by the Mayor, action by the Council to override the veto), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.

Chairman
Council of the District of Columbia

Mayor
District of Columbia