

# STATE OF NEW YORK

4866

2025-2026 Regular Sessions

## IN ASSEMBLY

February 6, 2025

Introduced by M. of A. RAJKUMAR -- read once and referred to the Committee on Governmental Employees

AN ACT to amend the retirement and social security law, in relation to prohibiting investing in the common retirement fund using investment managers

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Section 424-a of the retirement and social security law, as  
2 added by chapter 203 of the laws of 2018, is amended to read as follows:

3 § 424-a. Use of [~~placement agents or intermediaries~~] investment manag-  
4 ers prohibited. 1. [~~The~~] (a) Beginning on the effective date of the  
5 chapter of the laws of two thousand twenty-five which amended this  
6 subdivision, the fund shall not enter into any contract to engage, hire,  
7 invest with or commit to an investment manager [~~that is using the~~  
8 ~~services of a placement agent or intermediary~~] to assist [~~such invest-~~  
9 ~~ment manager~~] in obtaining investments, other than real property, by the  
10 fund [~~nor shall the fund engage, hire, invest with or commit to an~~  
11 ~~investment manager without obtaining from such investment manager a~~  
12 ~~certification in the form and manner prescribed by the fund stating that~~  
13 ~~such investment manager has not used the services of a placement agent~~  
14 ~~or other intermediary to assist such investment manager in obtaining~~  
15 ~~investments by the fund~~].

16 (b) Beginning on the effective date of the chapter of the laws of two  
17 thousand twenty-five which amended this subdivision, the fund shall not  
18 renew any existing contracts to engage, hire, invest with or commit to  
19 an investment manager to assist in obtaining investments by the fund.

20 2. For the purposes of this section[~~+~~  
21 ~~(a)~~], "investment manager" shall mean any person, other than an  
22 employee of the comptroller, or entity engaged by the common retirement  
23 fund to manage a part or all of an investment portfolio of the fund,  
24 other than real property owned by the fund. "Manage" shall include, but

EXPLANATION--Matter in italics (underscored) is new; matter in brackets  
[-] is old law to be omitted.

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1 is not limited to, the analysis of portfolio holdings, and the purchase,  
2 sale, and lending thereof. Any investment made by the fund pursuant to  
3 subdivision seven of section one hundred seventy-seven of this chapter  
4 shall be deemed to be the investment of the fund in such investment  
5 entity rather than in the assets of such investment entity.

6 ~~[(b) "placement agent or intermediary" shall mean any person or enti-~~  
7 ~~ty, including registered lobbyists, directly or indirectly engaged and~~  
8 ~~compensated by an investment manager, other than an employee of the~~  
9 ~~investment manager, to assist the investment manager in obtaining~~  
10 ~~investments by the fund whether compensated on a flat fee, a contingent~~  
11 ~~fee, or any other basis. Employees of an investment manager and its~~  
12 ~~affiliates are excluded from this definition unless they are employed~~  
13 ~~principally for the purpose of securing or influencing the decision to~~  
14 ~~secure a particular investment transaction or investment by the fund.]~~

15 § 2. This act shall take effect on the first of January next succeed-  
16 ing one year after it shall have become a law.