

Regulatory Flexibility Statement

A regulatory flexibility analysis is not required since the proposed amendment will have no effect on small businesses as the term is defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., but regulate only the Director of the Division of Investment.

Housing Affordability Impact Analysis

The proposed amendment will have no impact on the affordability of housing in the State of New Jersey. The proposed amendment will modify investment in high yield securities thereby providing an opportunity for increased risk-adjusted returns of the State-administered funds.

Smart Growth Development Impact Analysis

The proposed amendment is not anticipated to have an impact on the availability of affordable housing or housing production within Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan in New Jersey. The proposed amendment will modify investment in high yield securities thereby providing an opportunity for increased risk-adjusted returns of the State-administered funds.

Full text of the proposal follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

17:16-58.2 Permissible investments

(a)-(b) (No change.)

(c) Notwithstanding the restrictions in (b) above, the Director may invest and reinvest the moneys of Common Pension Fund B in corporate obligations of **U.S. based corporations**, international corporate obligations, collateralized notes and mortgages, [bank loans] **global diversified credit opportunity investments**, non-convertible preferred stock, and mortgage backed passthrough securities that do not meet the minimum credit ratings set forth in N.J.A.C. 17:16-12.2, 16.2, 19.2, 23.2, 40.2, and this section, respectively; provided, however, the market value of such investments shall not exceed [five] **eight** percent of the combined assets of all of the Pension and Annuity Funds.

(d) (No change.)

(a)

STATE INVESTMENT COUNCIL

Common Pension Fund E

Limitations

Proposed Amendment: N.J.A.C. 17:16-69.9

Authorized By: State Investment Council, Timothy M. Walsh,
Director, Division of Investment.

Authority: N.J.S.A. 52:18A-91.

Calendar Reference: See Summary below for explanation of
exception to calendar requirement.

Proposal Number: PRN 2012-141.

Submit comments by November 30, 2012 to:

Timothy M. Walsh
Administrative Practice Officer
Division of Investment
PO Box 290
Trenton, New Jersey 08625-0290

The agency proposal follows:

Summary

N.J.A.C. 17:16-69 governs Common Pension Fund E, a common trust fund, the purpose of which is to invest in alternative investments.

The proposed amendment to N.J.A.C. 17:16-69.9(a) will delete the reference to direct bank loans, which is necessitated by a concurrently proposed amendment to N.J.A.C. 17:16-23, published elsewhere in this issue of the New Jersey Register, which deletes Common Pension Fund E as an eligible fund.

Because the Division is providing a 60-day comment period on this notice of proposal, this notice is exempted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5.

Social Impact

The proposed amendment shall have no social impact.

Economic Impact

The proposed amendment is not expected to have any economic impact since the Pension and Annuity Funds may still invest in bank loans through Common Pension Fund B.

Federal Standards Statement

A Federal standards analysis is not required because the investment policy rules of the State Investment Council are not subject to any Federal requirements or standards.

Jobs Impact

The State Investment Council and the Division of Investment do not anticipate that any jobs will be generated or lost by virtue of the proposed amendment.

Agriculture Industry Impact

The proposed amendment will have no impact on the agriculture industry.

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Housing Affordability Impact Analysis

The proposed amendment will have no impact on the affordability of housing in the State of New Jersey. The proposed amendment will delete the Common Pension Fund E as an eligible fund that may invest in bank loans.

Smart Growth Development Impact Analysis

The proposed amendment is not anticipated to have an impact on the availability of affordable housing or housing production within Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan in New Jersey. The proposed amendment will delete Common Pension Fund E as an eligible fund that may invest in bank loans.

Full text of the proposal follows (addition indicated in boldface **thus**; deletion indicated in brackets [thus]):

17:16-69.9 Limitations

(a) For all investments (other than the State of New Jersey Cash Management Fund, United States Treasury Obligations, commercial paper, common and preferred stocks, issues convertible into common stock and exchange-traded funds, [direct bank loans,] and forward, option, and swap transactions) made in Common Pension Fund E, the following shall occur:

1.-4. (No change.)

(b)-(f) (No change.)

TREASURY — TAXATION

(b)

DIVISION OF TAXATION

Farmland Assessment

Proposed Amendments: N.J.A.C. 18:15-1.1, 2.2, 2.7, 2.8, 2.10, 2.13, 3, 4.5, 6.1, 6.2, 6.4, 7.3, 7.4, 7.5, 7.6, 8.1, 8.2, and 12

Proposed Repeal: N.J.A.C. 18:15-2.14

Authorized By: Michael Bryan, Acting Director, Division of Taxation.