

*Portions of these highways, as determined by the New Jersey Department of Transportation's Bureau of Traffic Engineering and Safety, will not be eligible due to traffic volumes, speed, and/or location.

TREASURY—GENERAL

(a)

STATE INVESTMENT COUNCIL

Common Pension Funds

General Provisions

Proposed Readoption of Specially Adopted Amendment: N.J.A.C. 17:16-69.1

Authorized By: State Investment Council and Christopher McDonough, 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 2018-058.

Submit comments by August 31, 2018, to:

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The agency proposal follows:

Summary

N.J.A.C. 17:16-69 establishes and governs the Common Pension Funds. On July 27, 2017, the State Investment Council adopted an amendment at N.J.A.C. 17:16-69.1 that was effective upon filing with the Office of Administrative Law (OAL) to codify new statutory requirements enacted through P.L. 2017, c. 98. See 49 N.J.R. 2813(a). The rules were designed to make clear that Common Pension Fund L, established by P.L. 2017, c. 98, shall be a "Common Pension Fund" for purposes of N.J.A.C. 17:16-69. This specially adopted amendment was scheduled to expire on July 27, 2018, and the State Investment Council is proposing the specially adopted amendment for re-adoption and for public comment through standard rulemaking procedures in order for it to become permanently effective. As the State Investment Council has filed this notice of re-adoption with the OAL prior to that date, the expiration date is extended 180 days to January 23, 2019, pursuant to N.J.S.A. 52:14B-5.1.c(2).

Because the Division of Investment (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 specially adopted amendment proposed for re-adoption shall have a positive social impact as it is necessary to the implementation of section 6 of P.L. 2017, c. 98, which established Common Pension Fund L within the Division to receive the lottery enterprise contribution on behalf of certain State-administered retirement systems (Police and Firemen's Retirement System, Public Employees' Retirement System, and Teachers' Pension and Annuity Fund), which contribution pursuant to, and in the manner contemplated by P.L. 2017, c. 98, is in the public interest in alleviating the underfunded status of such retirement systems.

Economic Impact

The specially adopted amendment proposed for re-adoption shall have a positive economic impact as it is necessary to the implementation of section 6 of P.L. 2017, c. 98, which established Common Pension Fund L within the Division to receive the lottery enterprise contribution on behalf of certain State-administered retirement systems (Police and Firemen's Retirement System, Public Employees' Retirement System,

and Teachers' Pension and Annuity Fund), which contribution pursuant to, and in the manner contemplated by P.L. 2017, c. 98, is in the public interest in alleviating the underfunded status of such retirement systems.

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 specially adopted amendment proposed for re-adoption will have no impact on jobs.

Agriculture Industry Impact

The specially adopted amendment proposed for re-adoption will have no impact on the agriculture industry.

Regulatory Flexibility Statement

A regulatory flexibility analysis is not required since the specially adopted amendment proposed for re-adoption regulates only the Director of the Division of Investment and 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.

Housing Affordability Impact Analysis

The specially adopted amendment proposed for re-adoption will have no impact on the affordability of housing in the State of New Jersey. The specially adopted amendment proposed for re-adoption is necessary to the implementation of section 6 of P.L. 2017, c. 98, which established Common Pension Fund L within the Division to receive the lottery enterprise contribution on behalf of certain State-administered retirement systems (Police and Firemen's Retirement System, Public Employees' Retirement System, and Teachers' Pension and Annuity Fund), which contribution pursuant to, and in the manner contemplated by P.L. 2017, c. 98, is in the public interest in alleviating the underfunded status of such retirement systems.

Smart Growth Development Impact Analysis

The specially adopted amendment proposed for re-adoption 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 specially adopted amendment proposed for re-adoption is necessary to the implementation of section 6 of P.L. 2017, c. 98, which established Common Pension Fund L within the Division to receive the lottery enterprise contribution on behalf of certain State-administered retirement systems (Police and Firemen's Retirement System, Public Employees' Retirement System, and Teachers' Pension and Annuity Fund), which contribution pursuant to, and in the manner contemplated by P.L. 2017, c. 98, is in the public interest in alleviating the underfunded status of such retirement systems.

Racial and Ethnic Community Criminal and Public Safety Impact

The Division has evaluated this rulemaking and determined that it will not have an impact on pretrial detention, sentencing, probation, or parole policies concerning adults and juveniles in the State. Accordingly, no further analysis is required.

Full text of the specially adopted amendment proposed for re-adoption follows (additions specially adopted July 27, 2017 (see 49 N.J.R. 2813(a)) indicated in boldface **thus**; deletions specially adopted July 27, 2017 (see 49 N.J.R. 2813(a)) indicated in brackets [thus]):

SUBCHAPTER 69. COMMON PENSION FUNDS

17:16-69.1 General provisions

(a) (No change.)

(b) The following funds may participate in [the] Common Pension Funds **A, B, D, and E**:

1.-5. (No change.)

(c) Common Pension Fund L was established pursuant to P.L. 2017, c. 98, effective July 4, 2017. The following funds shall participate in Common Pension Fund L in accordance with the

allocable percentages established by P.L. 2017, c. 98, as it may be amended from time to time:

2. Public Employees' Retirement System; and
3. Teachers' Pension and Annuity Fund.

1. Police and Firemen's Retirement System;
