

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - State Personnel and Pensions

21-315.

(a) The Board of Trustees shall credit to the expense fund of each State system its pro rata share of:

(1) the amount provided in the annual State budget to pay the administrative and operational expenses of the Board of Trustees and the State Retirement Agency;

(2) the amounts authorized by the Board of Trustees under this section for investment management services; and

(3) the amount authorized by the Board of Trustees to implement a closing agreement with the Internal Revenue Service regarding former members of the Employees' Retirement System or the Teachers' Retirement System who elected to become members of or participate in those State systems under former Article 73B, §§ 2-206 and 3-206 of the Code.

(b) The Board of Trustees shall pay from the expense fund of each State system its pro rata share of:

(1) the administrative and operational expenses of the Board of Trustees and the State Retirement Agency, in accordance with the annual State budget;

(2) the amounts as authorized by the Board of Trustees necessary for investment management services; and

(3) the amounts as authorized by the Board of Trustees necessary to implement a closing agreement with the Internal Revenue Service regarding former members of the Employees' Retirement System or the Teachers' Retirement System who elected to become members of or participate in those State systems under former Article 73B, §§ 2-206 and 3-206 of the Code.

(c) Each year the Board of Trustees shall estimate[:

(1)] the amount, not exceeding 0.2% of the payroll of members, necessary for the administrative and operational expenses of the Board of Trustees and the State Retirement Agency[;].

(D) EACH QUARTER OF THE FISCAL YEAR THE BOARD OF TRUSTEES SHALL ESTIMATE:

[(2)](1) [the] ONE-FOURTH OF AN amount, not exceeding 1.2% of the market value as of [December 31 of the preceding fiscal year] THE LAST DAY OF THE PRECEDING QUARTER of assets externally invested in real estate, necessary for external real estate investment management services; and