

GOVERNMENTAL FINANCE

CHAPTER 228

HOUSE BILL NO. 1168

(Industry, Business and Labor Committee)
(At the request of the Bank of North Dakota)

BANK OF NORTH DAKOTA LETTERS OF CREDIT

AN ACT to create and enact a new section to chapter 21-04 and a new subdivision to subsection 1 of section 41-09-23 of the North Dakota Century Code, relating to letters of credit issued by the Bank of North Dakota and requirements for security interests in collateral given to obtain a letter of credit for a pledge of security on a public deposit; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 21-04 of the North Dakota Century Code is created and enacted as follows:

Letters of credit for public deposits - Security interest - Priority - Written agreement. Letters of credit issued by the Bank of North Dakota in connection with section 21-04-09 must be secured by collateral. A security interest is created and attaches when the Bank issues a letter of credit in connection with section 21-04-09. Filing is not required for perfection of the security interest created and it is entitled to priority as to all creditors. The board of directors of a financial institution seeking a letter of credit from the Bank shall execute a written agreement with the Bank, reflect approval of the agreement in the board of director's minutes and, as of the date of execution of the agreement, keep a copy of the agreement as an official record.

SECTION 2. A new subdivision to subsection 1 of section 41-09-23 of the 1997 Supplement to the North Dakota Century Code is created and enacted as follows:

Collateral given by a financial institution to secure a letter of credit issued by the Bank of North Dakota to serve as a pledge of security for a public deposit under section 21-04-09.

SECTION 3. EMERGENCY. This Act is declared to be an emergency measure.

Approved March 9, 1999
Filed March 9, 1999

CHAPTER 229**SENATE BILL NO. 2067**
(Senator Lee)**BOND VALIDATION**

AN ACT to amend and reenact section 21-09-05 of the North Dakota Century Code, relating to validation of bonds issued by public bodies of the state before July 1, 1999.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 21-09-05 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

21-09-05. Application of chapter. The provisions of this chapter relating to validation apply to all bonds issued and proceedings taken by any public body prior to July 1, ~~1993~~ 1999.

Approved March 11, 1999
Filed March 11, 1999

CHAPTER 230

HOUSE BILL NO. 1259

(Representatives Berg, Carlson, Keiser, Wald)

STATE INVESTMENT BOARD MEMBERSHIP AND WORKERS' COMPENSATION RESERVES

AN ACT to amend and reenact subsection 1 of section 21-10-01 and section 65-04-02 of the North Dakota Century Code, relating to the membership of the state investment board and to workers' compensation reserves.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 1 of section 21-10-01 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

1. The North Dakota state investment board consists of the governor, the state treasurer, the commissioner of university and school lands, the director of the workers compensation bureau, the commissioner of insurance, three members of the teachers' fund for retirement board or the board's designees who need not be members of the fund as selected by that board, and three of the elected members of the public employees retirement system board as selected by that board. The director of the workers compensation bureau may appoint a designee, subject to approval by the workers compensation board of directors, to attend the meetings, participate, and vote when the director is unable to attend. The teachers' fund for retirement board may appoint an alternate designee with full voting privileges to attend meetings of the state investment board when a selected member is unable to attend. The public employees retirement system board may appoint an alternate designee with full voting privileges from the public employees retirement system board to attend meetings of the state investment board when a selected member is unable to attend. The members of the state investment board, except elected and appointed officials and the director of the workers compensation bureau or the director's designee, are entitled to receive as compensation sixty-two dollars and fifty cents ~~as compensation~~ per day and necessary mileage and travel expenses as provided in sections 44-08-04 and 54-06-09 for attending meetings of the state investment board.

SECTION 2. AMENDMENT. Section 65-04-02 of the North Dakota Century Code is amended and reenacted as follows:

65-04-02. Statutory reserve Reserves. Ten percent of the money that is paid into the workers' compensation fund must be set aside for the creation of a surplus until such surplus amounts to the sum of fifty thousand dollars; after which time the sum of five percent of all the money paid into such fund must be credited to such surplus fund until, in the judgment of the bureau, the surplus is sufficiently large to guaranty the fund from year to year. Thereafter transfer of funds to the surplus fund may be discontinued temporarily for one or more years; or until, in the judgment of the bureau, the transfer of five percent of all money paid into such fund to such surplus again is necessary. The bureau shall maintain adequate financial reserves to ensure the solvency of the fund and the payment of future benefit obligations, based upon actuarially sound principles. The independent annual financial audit of the bureau must report the bureau's financial reserves.

Approved March 25, 1999

Filed March 25, 1999