

Sixty-second
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2302

Introduced by

Senators Hogue, Stenehjem, Christmann

Representatives Carlson, Grande, Vigesaa

A BILL for an Act to create and enact a new section to chapter 21-10 of the North Dakota Century Code, relating to the legacy and budget stabilization fund advisory board; to amend and reenact sections ~~21-10-01~~, 21-10-04, and 21-10-06 of the North Dakota Century Code, relating to ~~the membership~~meetings of the state investment board and management of the legacy fund; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

~~**SECTION 1. AMENDMENT.** Section 21-10-01 of the North Dakota Century Code is amended and reenacted as follows:~~

~~**21-10-01. State investment board -- Membership -- Term -- Compensation -- Advisory council.**~~

~~1. The~~Except as provided in subsection 2, the North Dakota state investment board consists of the governor, the state treasurer, the commissioner of university and school lands, the director of workforce safety and insurance, the insurance commissioner, 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, two of the elected members of the public employees retirement system board as selected by that board, and one member of the public employees retirement system board as selected by that board. The director of workforce safety and insurance may appoint a designee, subject to approval by the workforce safety and insurance 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

1 to attend meetings of the state investment board when a selected member is unable to
2 attend. The members of the state investment board, except elected and appointed
3 officials and the director of workforce safety and insurance or the director's designee,
4 are entitled to receive as compensation sixty-two dollars and fifty cents per day and
5 necessary mileage and travel expenses as provided in sections 44-08-04 and
6 54-06-09 for attending meetings of the state investment board.

7 ~~2. a. For purposes of management of the budget stabilization fund and the legacy~~
8 ~~fund, the state investment board consists of:~~

9 ~~(1) The governor;~~

10 ~~(2) The state treasurer;~~

11 ~~(3) The insurance commissioner;~~

12 ~~(4) Two members of the senate, appointed by the senate majority leader, who~~
13 ~~shall serve as nonvoting members of the board; and~~

14 ~~(5) Two members of the house of representatives, appointed by the house~~
15 ~~majority leader, who shall serve as nonvoting members of the board.~~

16 ~~b. The members of the board under this subsection shall select from among~~
17 ~~themselves one member to serve as chairman for the purposes of this~~
18 ~~subsection.~~

19 ~~c. The members of the state investment board who are appointed by the senate~~
20 ~~majority leader and the house majority leader are entitled to compensation as~~
21 ~~provided under subsection 1 of section 54-35-10 for each day spent in attending~~
22 ~~meetings of the board and necessary lodging and travel expenses as provided in~~
23 ~~sections 44-08-04 and 54-06-09.~~

24 ~~d. The state investment board as constituted under this subsection is solely~~
25 ~~responsible for the management of the budget stabilization fund and the legacy~~
26 ~~fund.~~

27 ~~3. The state investment board may establish an advisory council composed of individuals~~
28 ~~who are experienced and knowledgeable in the field of investments. The state~~
29 ~~investment board shall determine the responsibilities of the advisory council. Members~~
30 ~~of the advisory council are entitled to receive the same compensation as provided the~~

~~members of the advisory board of the Bank of North Dakota and necessary mileage
and travel expenses as provided in sections 44-08-04 and 54-06-09.~~

SECTION 1. AMENDMENT. Section 21-10-04 of the North Dakota Century Code is amended and reenacted as follows:

21-10-04. Board - Meetings.

The state investment board shall select one of its members to serve as chair, one to serve as vice chair, and shall meet at the call of the chair, ~~investment director~~, or upon written notice signed by two members of the board.

SECTION 2. AMENDMENT. Section 21-10-06 of the North Dakota Century Code is amended and reenacted as follows:

21-10-06. Funds under management of board - Accounts.

The

1. Subject to the provisions of section 21-10-01, the board is charged with the investment of the following funds:

~~4.a.~~ State bonding fund.

~~2.b.~~ Teachers' fund for retirement.

~~3.c.~~ State fire and tornado fund.

~~4.d.~~ Workforce safety and insurance fund.

~~5.e.~~ National guard tuition trust fund.

~~6.f.~~ Public employees retirement system.

~~7.g.~~ Insurance regulatory trust fund.

~~8.h.~~ State risk management fund.

~~9.i.~~ Budget stabilization fund.

~~10.j.~~ Health care trust fund.

~~11.k.~~ Cultural endowment fund.

~~12.l.~~ Petroleum tank release compensation fund.

m. Legacy fund.

2. Separate accounting must be maintained for each of the above funds listed in subsection 1. When it is deemed advantageous~~Except for the budget stabilization fund and the legacy fund, the~~The moneys of the individual funds may be commingled for investment purposes when determined advantageous.

1 3. The state investment board may provide investment services to, and manage the
2 money of, any agency, institution, or political subdivision of the state, subject to
3 agreement with the industrial commission. The scope of services to be provided by the
4 state investment board to the agency, institution, or political subdivision must be
5 specified in a written contract. The state investment board may charge a fee for
6 providing investment services and any revenue collected must be deposited in the
7 state retirement and investment fund.

8 **SECTION 3.** A new section to chapter 21-10 of the North Dakota Century Code is created
9 and enacted as follows:

10 **Legacy and budget stabilization fund advisory board.**

11 The legacy and budget stabilization fund advisory board is created to develop
12 recommendations for the investment of funds in the legacy fund and the budget stabilization
13 fund to present to the state investment board. The goal of investment for the legacy fund is
14 principal preservation while maximizing total return. The board consists of two members of the
15 senate appointed by the senate majority leader, two members of the house of representatives
16 appointed by the house majority leader, the director of the office of management and budget or
17 designee, the president of the Bank of North Dakota or designee, and the tax commissioner or
18 designee. The board shall select a chairman and must meet at the call of the chairman. The
19 board shall report at least semiannually to the budget section. Legislative members are entitled
20 to receive compensation and expense reimbursement as provided under section 54-03-20 and
21 reimbursement for mileage as provided by law for state officers. The legislative council shall pay
22 the compensation and expense reimbursement for the legislative members. The legislative
23 council shall provide staff services to the legacy and budget stabilization fund advisory board.
24 The staff and consultants of the state retirement and investment office shall advise the board in
25 developing asset allocation and investment policies.

26 **SECTION 4. EMERGENCY.** This Act is declared to be an emergency measure.