Sixty-ninth Legislative Assembly of North Dakota

FIRST ENGROSSMENT

ENGROSSED HOUSE BILL NO. 1278

Introduced by

Representatives Lefor, Vigesaa, Vollmer, Swiontek

Senators Bekkedahl, Hogue, Patten, Rummel

- 1 A BILL for an Act to create and enact two new sections to chapter 54-11 of the North Dakota
- 2 Century Code, relating to the management of moneys in the state treasury and a cash
- 3 management board; to provide a report; and to provide an expiration date.

4 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

- 5 **SECTION 1.** A new section to chapter 54-11 of the North Dakota Century Code is created 6 and enacted as follows:
- 7 <u>Moneys in the state treasury Management.</u>
- 8 The state treasurer in coordination with the Bank of North Dakota and the cash
- 9 management board shall review existing policies and procedures and, if necessary, develop
- 10 policies and procedures for the management of moneys in the state treasury. For purposes of
- 11 this section, moneys in the state treasury:
- 1. Include the general fund and special funds.
- SECTION 2. A new section to chapter 54-11 of the North Dakota Century Code is created and enacted as follows:

17 <u>Cash management board - Report.</u>

- 18 <u>1. The cash management board is created to:</u>
- 19 <u>a.</u> Review existing policies and, if necessary, develop policies in coordination with
- the state treasurer and the Bank of North Dakota for the management of moneys
- 21 <u>in the state treasury.</u>
- b. Provide transparency regarding the state's consolidated financial position.

1		<u>C.</u>	Identify state agency and interagency cash flow characteristics and processes.
2		<u>d.</u>	Review state agency cash management technology and opportunities to improve
3			state cash management practices.
4		<u>e.</u>	Review state agency and statewide operational cash flow requirements and
5			forecast cash flow needs.
6		<u>f.</u>	Identify cash management practices to improve cash structures and to provide
7			transaction efficiencies.
8	<u>2.</u>	<u>The</u>	board shall review existing policies and, if necessary, develop policies with a goal
9		of m	nanaging moneys in the state treasury to ensure principal preservation and
10		<u>ade</u>	quate liquidity for the state's cash flow needs while maximizing total return based
11		on a	an appropriate level of statewide risk. The policies may include:
12		<u>a.</u>	An appropriate tiered cash flow structure.
13		<u>b.</u>	Authorization to commingle, for management purposes, moneys in the state
14			treasury when determined to be advantageous.
15		<u>C.</u>	Prioritization to optimize cash flow structuring to align with the mission of state
16			agencies and the state's consolidated financial position.
17	<u>3.</u>	<u>The</u>	Bank of North Dakota shall provide staff services to the board.
18	<u>4.</u>	<u>Upo</u>	on request, a state agency shall provide information to the board regarding cash
19		flow	and liquidity needs, including projections for the timing of revenues and
20		<u>exp</u>	enditures.
21	<u>5.</u>	<u>The</u>	board consists of:
22		<u>a.</u>	The state treasurer or the state treasurer's designee who shall serve as the
23			chairman;
24		<u>b.</u>	The director of the office of management and budget or the director's designee;
25		<u>C.</u>	The president of the Bank of North Dakota or the president's designee;
26		<u>d.</u>	Two members of the house of representatives appointed by the house majority
27			<u>leader;</u>
28		<u>e.</u>	Two members of the senate appointed by the senate majority leader; and
29		<u>f.</u>	The governor or the governor's designee.
30	<u>6.</u>	<u>Leg</u>	islative members of the board are entitled to receive compensation and expense
31		reim	nbursement as provided under section 54-03-20 and reimbursement for mileage as

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- 1 provided by law for state officers. The legislative council shall pay the compensation
- 2 <u>and expense reimbursement for the legislative members.</u>
- 3 7. The board shall provide at least one report each fiscal year to the budget section.
- 4 **SECTION 3. EXPIRATION DATE.** This Act is effective through June 30, 2028, and after that
- 5 date is in effective.