

**Sixty-second Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 4, 2011**

SENATE BILL NO. 2302
(Senators Hogue, Stenehjem, Christmann)
(Representatives Carlson, Grande, Vigesaa)

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 21-10-04 and 21-10-06 of the North Dakota Century Code, relating to 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 21-10-04 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.

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1. Subject to the provisions of section 21-10-01, the board is charged with the investment of the following funds:
 - 1.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.~~ The moneys of the individual funds may be commingled for investment purposes ~~when it is deemed advantageous, the~~ when determined advantageous.
3. The state investment board may provide investment services to, and manage the money of, any agency, institution, or political subdivision of the state, subject to agreement with the industrial commission. The scope of services to be provided by the state investment board to the agency, institution, or political subdivision must be specified in a written contract. The state investment board may charge a fee for providing investment services and any revenue collected must be deposited in the state retirement and investment fund.

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

Legacy and budget stabilization fund advisory board.

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

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