

Sixty-fourth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1063

Introduced by

Government and Veterans Affairs Committee

(At the request of the State Investment Board)

1 A BILL for an Act to amend and reenact sections 21-10-02.1 and 21-10-06 of the North Dakota
2 Century Code, relating to modifications to investment policies for and funds under management
3 of the state investment board.

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

5 **SECTION 1. AMENDMENT.** Section 21-10-02.1 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **21-10-02.1. Board - Policies on investment goals and objectives and asset allocation.**

8 1. The governing body of each fund enumerated in section 21-10-06 shall establish
9 policies on investment goals and objectives and asset allocation for each respective
10 fund. The policies must provide for:

11 a. The definition and assignment of duties and responsibilities to advisory services
12 and persons employed by the board.

13 b. ~~Acceptable rates~~Rate of return objectives, including liquidity, requirements and
14 acceptable levels of risk.

15 c. Long-range asset allocation goals.

16 d. Guidelines for the selection and redemption of investments.

17 e. Investment diversification, investment quality, qualification of advisory services,
18 and amounts to be invested by advisory services.

19 f. The type of reports and procedures to be used in evaluating performance.

20 2. The asset allocation and any subsequent allocation changes for each fund, ~~to be~~
21 ~~effective,~~ must be approved by the governing body of that fund and the state
22 investment board ~~by January first of each year. If the asset allocation is not approved,~~
23 ~~the previous asset allocation remains effective.~~ The governing body of each fund shall

1 use the staff and consultants of the retirement and investment office in developing
2 asset allocation and investment policies.

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

5 **21-10-06. Funds under management of board - Accounts.**

6 1. Subject to the provisions of section ~~21-10-01~~21-10-02, the board ~~is charged with the~~
7 ~~investment of~~shall invest the following funds:

- 8 a. State bonding fund.
- 9 b. Teachers' fund for retirement.
- 10 c. State fire and tornado fund.
- 11 d. Workforce safety and insurance fund.
- 12 e. ~~National guard tuition trust fund.~~
- 13 f. Public employees retirement system.
- 14 ~~g-f.~~ Insurance regulatory trust fund.
- 15 ~~h-g.~~ State risk management fund.
- 16 ~~i-h.~~ Budget stabilization fund.
- 17 ~~j-i.~~ Health care trust fund.
- 18 ~~k-j.~~ Cultural endowment fund.
- 19 ~~l-k.~~ Petroleum tank release compensation fund.
- 20 ~~m-l.~~ Legacy fund.
- 21 m. A fund under contract with the board pursuant to subsection 3.

22 2. Separate accounting must be maintained for each of the funds listed in subsection 1.
23 The moneys of the individual funds may be commingled for investment purposes when
24 determined advantageous.

25 3. The state investment board may provide investment services to, and manage the
26 money of, any agency, institution, or political subdivision of the state, subject to
27 agreement with the industrial commission. The scope of services to be provided by the
28 state investment board to the agency, institution, or political subdivision must be
29 specified in a written contract. The state investment board may charge a fee for
30 providing investment services and any revenue collected must be deposited in the
31 state retirement and investment fund.