

GOVERNMENTAL FINANCE

CHAPTER 255

SENATE BILL NO. 2449
(Senator Lindgren)
(Representative Larson)

VALIDATION OF BONDS

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 prior to July 1, 1991.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 21-09-05 of the 1989 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, ~~1989~~ 1991.

Approved March 14, 1991
Filed March 15, 1991

CHAPTER 256

SENATE BILL NO. 2240
(Committee on State and Federal Government)
(At the request of the State Investment Board)

STATE INVESTMENT BOARD PROCEDURES

AN ACT to amend and reenact section 21-10-02 of the North Dakota Century Code as amended by section 5 of chapter 667 of the 1989 Session Laws of North Dakota, and sections 21-10-04, 21-10-05, 21-10-06.1, and 21-10-08 of the North Dakota Century Code, relating to state investment board powers and duties, meetings, investment director, funds under management, investment reports, and reserves.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 21-10-02 of the North Dakota Century Code as amended by section 5 of chapter 667 of the 1989 Session Laws of North Dakota is amended and reenacted as follows:

21-10-02. Board - Powers and duties. The board shall be charged with the investment of the funds enumerated in section 21-10-06. It shall approve general types of securities for investment by these funds and set policies and procedures regulating securities transactions on behalf of the various funds. Representatives of the funds enumerated in section 21-10-06 may make recommendations to the board in regard to investments. The board or its designated agents shall be custodian of securities purchased on behalf of funds under the management of the board. The board may appoint an investment director or advisory service, or both, who must be experienced in, and hold considerable knowledge of, the field of investments. The investment director or advisory service shall serve at the pleasure of the board. The investment director or advisory service may be an individual, corporation, partnership, or any legal entity which meets the qualifications established herein. The board may appoint, in addition to an investment director or advisory service, such personnel as it deems necessary to properly fulfill their responsibility. ~~Existing department facilities for making traditional investments within the state shall continue to function subject however to supervision and management of the board.~~ The board may authorize the investment director to lend securities held by the funds. These securities must be collateralized as directed by the board. The board may create investment fund pools in which the funds identified in section 21-10-06 may invest.

SECTION 2. AMENDMENT. Section 21-10-04 of the 1989 Supplement to 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 ~~chairman~~ chair, ~~one to serve as vice chair~~, and shall meet at the call of the ~~chairman~~ chair, ~~investment director~~, or upon written notice signed by two members of the board. ~~Such meetings must be held not less than eight times per year.~~

SECTION 3. AMENDMENT. Section 21-10-05 of the 1989 Supplement to the North Dakota Century Code is amended and reenacted as follows:

21-10-05. ~~Director~~ Investment director - Powers and duties. Subject to the limitations contained in the law or the policymaking regulations or resolutions promulgated by the board, the investment director shall have the power to make purchases, sales, exchanges, investments, and reinvestments of the funds under the management of the board. This section shall constitute a continuing appropriation of all moneys required for the making of investments of funds under the management of the board. The investment director shall see that moneys invested are at all times handled in the best interests of the funds. Securities or investments may be sold or exchanged for other securities or investments.

The investment director shall formulate and recommend to the investment board for approval, investment regulations or resolutions pertaining to the kind or nature of investments and limitations, conditions, and restrictions upon the methods, practices or procedures for investment, reinvestment, purchase, sale, or exchange transactions which should govern the investment of funds under this chapter.

SECTION 4. AMENDMENT. Section 21-10-06.1 of the 1989 Supplement to the North Dakota Century Code is amended and reenacted as follows:

21-10-06.1. Board - Investment reports. The board shall annually prepare reports on the investment performance of each fund under its control. The reports must be uniform and must include:

1. A list of the advisory services managing investments for the board.
2. A list of investments ~~including the cost and~~ at market value, compared to previous reporting period, of each fund managed by each advisory service.
3. Earnings, percentage earned, and change in market value of each fund's investments.
4. Comparison of the performance of each fund managed by each advisory service to other funds under the board's control and to generally accepted market indicators. ~~The market indicators to be used are the Standard and Poor's 500; Dow Jones Industrials; New York Stock Exchange; Salomon Bond Index; Lehman Kuhn Loeb Government/Corporation; and treasury bills.~~

SECTION 5. AMENDMENT. Section 21-10-08 of the 1989 Supplement to the North Dakota Century Code is amended and reenacted as follows:

21-10-08. Reserves - Percentage limitations. In order to meet claims and liabilities, reserves must be established and maintained in each of the funds in accordance with ~~recommendations of the authorized fiduciaries thereof consisting of cash; Bank of North Dakota certificates of deposit; or short-term United States Government securities in amounts between one percent and ten percent of the assets of each fund~~ the investment policy and asset allocation established for each fund.

~~The board may authorize temporary deviations from the amounts of such reserves in its sound discretion.~~

Approved April 3, 1991
Filed April 4, 1991