Sixty-fourth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 6, 2015

HOUSE BILL NO. 1063
(Government and Veterans Affairs Committee)
(At the request of the State Investment Board)

AN ACT to amend and reenact sections 21-10-02.1 and 21-10-06 of the North Dakota Century Code, relating to modifications to investment policies for and funds under management of the state investment board.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

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

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

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

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

   c. Long-range asset allocation goals.

   d. Guidelines for the selection and redemption of investments.

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

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

2. The asset allocation and any subsequent allocation changes for each fund~~, to be effective,~~ must be approved by the governing body of that fund and the state investment board ~~by January first of each year. If the asset allocation is not approved, the previous asset allocation remains effective~~. The governing body of each fund shall use the staff and consultants of the retirement and investment office in developing asset allocation and investment policies.

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.

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

   a. State bonding fund.

   b. Teachers' fund for retirement.

   c. State fire and tornado fund.

   d. Workforce safety and insurance fund.

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

~~f.~~ Public employees retirement system.

~~g.~~f. Insurance regulatory trust fund.

~~h.~~g. State risk management fund.

~~i.~~h. Budget stabilization fund.

~~j.~~i. Health care trust fund.

~~k.~~j. Cultural endowment fund.

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

~~m.~~l. Legacy fund.

m. A fund under contract with the board pursuant to subsection 3.

2. Separate accounting must be maintained for each of the funds listed in subsection 1. The moneys of the individual funds may be commingled for investment purposes 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.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-fourth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1063.

House Vote:	Yeas 92	Nays 0	Absent 2
Senate Vote:	Yeas 47	Nays 0	Absent 0

Chief Clerk of the House

Received by the Governor at 8:25 A.M. on March 25, 2015.

Approved at 1:10 P.M. on March 26, 2015.

Governor

Filed in this office this 26th day of March, 2015,

at 3:04 o'clock P M.

Secretary of State