

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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HOUSE DRH30065-LB-108B* (2/22)

Short Title: Modern Escheat Investment Program.

(Public)

Sponsors: Representative Gibson.

Referred to:

A BILL TO BE ENTITLED

1
2 AN ACT TO ESTABLISH A MODERN INVESTMENT PROGRAM FOR THE
3 PRUDENT AND APPROPRIATE MANAGEMENT OF THE ESCHEAT FUND,
4 FOR THE BENEFIT OF "NEEDY AND WORTHY" STUDENTS AS PROVIDED
5 FOR IN THE STATE CONSTITUTION.

6 Whereas, the State Constitution mandates that proceeds of the Escheat Fund
7 shall be utilized to aid needy and worthy North Carolina students enrolled in public
8 institutions of higher education; and

9 Whereas, continued tuition increases are intensifying the demand on the
10 Escheat Fund to provide North Carolina students with loans and tuition assistance to
11 offset tuition hikes; and

12 Whereas, adoption of a proactive investment policy for the Escheat Fund will
13 enable the State to realize a greater benefit from existing capital, thereby enhancing the
14 Escheat Fund's constitutionally provided purpose; and

15 Whereas, the assets of the Escheat Fund have grown to nearly \$600,000,000,
16 necessitating the establishment of a modern investment allocation strategy for these
17 funds; and

18 Whereas, such a policy will enable the State Treasurer to invest in those types
19 of investments considered prudent for the Escheat Fund; Now, therefore,
20 The General Assembly of North Carolina enacts:

21 **SECTION 1.** G.S. 147-69.2(b) is amended by adding a new subdivision to
22 read:

23 "(12) With respect to assets of the Escheat Fund, in addition to those
24 investments authorized by subdivisions (1) through (6) of this
25 subsection, up to twenty percent (20%) in the investments authorized
26 under subdivisions (7) through (9) of this subsection, notwithstanding

1 the limitations imposed on the retirement funds under those
2 subdivisions."

3 **SECTION 2.** This act is effective when it becomes law.