GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2005

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SENATE BILL 341

Short Title:	Modern Escheat Investment Program.	(Public)
Sponsors:	Senators Hoyle; and Atwater.	
Referred to:	Finance.	

March 3, 2005

A BILL TO BE ENTITLED

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

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

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

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

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

Whereas, such a policy will enable the State Treasurer to invest in those types of investments considered prudent for the Escheat Fund; Now, therefore,

The General Assembly of North Carolina enacts:

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

"(12) With respect to assets of the Escheat Fund, in addition to those investments authorized by subdivisions (1) through (6) of this subsection, up to twenty percent (20%) in the investments authorized under subdivisions (7) through (9) of this subsection, notwithstanding the limitations imposed on the retirement funds under those subdivisions."

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