

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005**

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**SENATE DRS35062-LB-108A (2/22)**

Short Title: Modern Escheat Investment Program. (Public)

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Sponsors: Senator Hoyle.

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Referred to:

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A BILL TO BE ENTITLED

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