

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

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SENATE DRS35428-LL-296 (05/13)

Short Title: Local Gov't. Other Post-Employment Benefits.

(Public)

Sponsors: Senator Clodfelter.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO REPEAL THE LOCAL GOVERNMENT OTHER POST-EMPLOYMENT BENEFITS (OPEB) FUND AND TO ALLOW EACH UNIT OF LOCAL GOVERNMENT TO ESTABLISH A SEPARATE OPEB TRUST FUND THAT MAY THEN BE INVESTED BY THE DEPARTMENT OF STATE TREASURER.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 159-30(g) reads as rewritten:

"(g) A local government, public authority, an entity eligible to participate in the Local Government Employee's Retirement System, or a local school administrative unit may make contributions to ~~the a~~ Local Government Other Post-Employment Benefits ~~Fund~~ Trust established ~~in G.S. 147-69.4.~~ pursuant to G.S. 159-30.1."

**SECTION 2.** G.S. 159-30.1(b) reads as rewritten:

"(b) Restrictions. – Monies in an irrevocable trust established under subsection (a) of this section may be appropriated only for the purposes for which the trust was established. Monies in the trust are not subject to the claims of creditors of the entity that established the trust. An entity that establishes a trust may not deposit money in the trust if the total amount held in trust would exceed the entity's actuarial liability, determined in accordance with the standards of the Governmental Accounting Standards Board, for the purposes for which the trust was established. A trust established pursuant to subsection (a) of this section shall be referred to as a Local Government Other Post-Retirement Benefits Trust, and the assets of that trust may be invested as provided in G.S. 159-30(c) or deposited with the State Treasurer for investment pursuant to G.S. 147-69.2(b4)."

**SECTION 3.** G.S. 147-69.2(a) reads as rewritten:

"(a) This section applies to funds held by the State Treasurer to the credit of each of the following:

...

(17g) ~~The Funds deposited with the State Treasurer by Local Government Other Post-Employment Benefits Fund.~~ Trusts pursuant to G.S. 159-30.1.

...."

**SECTION 4.** G.S. 147-69.2(b4) reads as rewritten:

"(b4) In addition to the investments authorized under subdivisions (b)(1) through (6) of this section, the State Treasurer may invest funds deposited ~~in the Local Government Other Post-Employment Benefits Fund~~ pursuant to subdivision (17g) of subsection (a) of this section in any of the investments authorized under subdivisions (b)(6c) and (b)(8) of this section, notwithstanding the percentage limitations imposed on the Retirement Systems' investments



1 therein. Funds deposited pursuant to this subsection by a Local Government Other  
2 Post-Employment Benefits Trust and interest or other investment income earned from those  
3 funds shall be prorated and credited to the contributing trust on the basis of the amounts  
4 contributed, figured according to sound accounting principles. For investments from that Fund  
5 ~~made~~ under subdivisions (b)(6c) and (b)(8) of this section, the State Treasurer may require a  
6 minimum deposit of up to one hundred thousand dollars (\$100,000) and may assess fees of up  
7 to 15 basis points per annum as a condition of ~~making the investment. The fee participation~~  
8 pursuant to this subsection. Fees assessed by the State Treasurer may be used to defray the  
9 costs of administering the Fund."

10 **SECTION 5.** G.S. 147-69.4 is repealed.

11 **SECTION 6.** This act becomes effective July 1, 2010.