



SENATE BILL 323: Joint Municipal Power Agencies/Investments.

2021-2022 General Assembly

Committee:		Date:	February 4, 2022
Introduced by:		Prepared by:	Jennifer McGinnis
Analysis of:	S.L. 2021-73		Staff Attorney

OVERVIEW: *S.L. 2021-73 allows moneys deposited in certain decommissioning funds established by North Carolina Municipal Power Agency Number 1, as well as funds deposited in the Swain County Settlement Trust Fund, to be invested through the State Treasurer's Ancillary Governmental Participant Investment Program.*

This act became effective July 2, 2021.

BACKGROUND:

North Carolina Municipal Power Agency Number 1

North Carolina Municipal Power Agency Number 1 (NCMPA1 or Agency) was formed in 1976 under authority of [Chapter 159B of the General Statutes \(Joint Municipal Electric Power and Energy Act\)](#). NCMPA1 is comprised of 19 cities and towns in the piedmont and western North Carolina. The Agency has a 75% ownership interest in Catawba Nuclear Station 1 and a 37.5% ownership interest in the Support Facilities for Catawba Nuclear Station Units 1 and 2. These Units are located in York County, S.C. and are operated by Duke Power.

Under [federal law](#), the United States Nuclear Regulatory Commission (NRC) requires each holder of an operating license for a nuclear facility to establish and maintain funds to decommission the facility. The license issued by the NRC for the Catawba project expires in 2043. NCMPA1 established the Catawba Unit No. 1 Decommissioning Trust Fund and the Catawba Unit No. 2 Decommissioning Trust Fund pursuant to a Decommissioning Trust Agreement executed on June 28, 1990.

Swain County Settlement Trust Fund

The Swain County Settlement Trust Fund is a special fund managed by the State Treasurer to hold the funds paid by the [United States in settlement of the 1943 agreement between Swain County and the United States](#).

Ancillary Governmental Participant Investment Program

The North Carolina Department of State Treasurer (Treasurer) maintains an [Ancillary Governmental Participant Investment Program \(AGPIP\)](#) in which the Treasurer is authorized to invest monies for governmental entities that are outside the North Carolina Retirement System. Examples of participants in the program include: the Escheat Fund, public hospitals, Local Government Other Post-Employment Benefits Trusts, Local Government Law Enforcement Special Separation Allowance Trusts, the North Carolina Conservation Grant Fund, the State Health Plan, the Disability Income Plan, and the State Educational Assistance Authority.

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As part of that program, the Treasurer has established several investment pools (or Funds), as authorized by North Carolina law, for investment by participants in the AGPIP to help ensure these investments benefit from low-cost professional management. Three of these Funds are the Bond Index Fund, the Equity Index Fund, and the Short-Term Investment Fund, which allow a participant to invest across the investment-grade fixed income maturity spectrum from short-term, highly liquid money market instruments to longer maturity bonds and notes. A more detailed description of these funds and the program can be found [here](#) and [here](#).

BILL ANALYSIS: The act allows moneys deposited in certain decommissioning funds established by North Carolina Municipal Power Agency Number 1, as well as funds deposited in the Swain County Settlement Trust Fund, to be invested through the AGPIP. Prior to enactment of S.L. 2021-73, investment of such funds in the AGPIP was not authorized.

EFFECTIVE DATE: This act became effective July 2, 2021.