



SENATE BILL 74: Town of Chapel Hill Charter/Investments.

2021-2022 General Assembly

Committee:	House Finance. If favorable, re-refer to Local Government. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	June 15, 2021
Introduced by:	Sens. Foushee, Murdock	Prepared by:	Greg Roney Staff Attorney
Analysis of:	First Edition		

OVERVIEW: *Senate Bill 74 would allow Chapel Hill's employee benefit funds held in trust, risk reserve funds, and capital reserves to be invested and reinvested into certain other investments authorized by State law for the State Treasurer.*

CURRENT LAW: Local governments are authorized to invest idle funds in any manner prescribed in G.S. 159-30. Moneys may be invested only in certain classes of securities, which are outlined in G.S. 159-30(c). A local government investment program must be managed so that investments and deposits can be converted into cash when needed.

BILL ANALYSIS: Senate Bill 74 would authorize the Town of Chapel Hill, or any governing body, agency, person, or other corporation that contracts with the Town, to invest and reinvest any of the Town's employee benefit funds held in trust, risk reserve funds, and capital reserves, in one or more types of securities or investments authorized for the State Treasurer in G.S. 147-69.2(b)(1) through (6) and (8).

EFFECTIVE DATE: Senate Bill 74 would be effective when it becomes law.

BACKGROUND: The Fayetteville Public Works Commission as well as several cities and counties have been granted similar authority to invest and reinvest local government funds in certain securities or investments authorized by State law for the State Treasurer.

According to the State Treasurer's Office, the following entities have additional investment authority: Winston-Salem (S.L. 1998-36); Forsyth County (S.L. 1998-44); Pitt County (S.L. 1999-48); Durham County (S.L. 1999-101); City of Durham (S.L. 2002-31); Fayetteville (S.L. 2003-318) and (S.L. 2008-103); Public Hospitals (S.L. 2005-417); and Charlotte, Raleigh, Greensboro, Guilford County, Wake County, and Mecklenburg County (S.L. 2007-255).

Nicholas Giddings, with the Legislative Analysis Division, substantially contributed to this summary.

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