

LEGISLATIVE BILL 468

Approved by the Governor April 29, 1983

Introduced by Appropriations Committee, Warner, 25,
Chairperson; Goodrich, 20; L. Johnson,
15; Kahle, 37; Kilgarin, 7; Marsh, 29;
Morehead, 30; H. Peterson, 35

AN ACT relating to state investments; to provide that funds managed by the state investment officer pay a share of the expense of administering such investments; to provide an operative date; and to declare an emergency.

Be it enacted by the people of the State of Nebraska,

Section 1. There is hereby established in the state treasury the State Investment Officer's Cash Fund. A pro rata share of the budget appropriated for the Nebraska Investment Council shall be charged to each fund managed. The allocation of charges shall be based on the market values of the assets of the funds on the last business day of June one year preceding the beginning of the budget year.

Due to constitutional and statutory limitations on payment of expenses, the share of the budget allocated to the Treasurer's Cash Fund, the Nebraska Veterans' Aid Fund, the Agricultural Endowment Fund, the Normal School Endowment Fund, the Permanent University Endowment Fund, and the Permanent School Fund shall be paid from the General Fund.

The share of the budget allocated to the Short Term Investment Pool, Department of Aeronautics Trust Fund, State Excess Liability Fund, Judges Retirement System, School Retirement System, and the State Patrol Retirement Fund shall be charged to the income of the funds under the control of the state investment officer and transferred to the State Investment Officer's Cash Fund. Approval of the agencies and boards administering these funds shall not be required.

It is the intent of this section to have funds managed by the state investment officer pay a pro rata share of the investment management expense when this is not prohibited by statute or the constitution.

Management, custodial, and service costs which

are a direct expense of state trust funds may be paid from the income of such trust funds when this is not prohibited by statute or the constitution. For purposes of this section management, custodial, and service costs shall include, but are not limited to, fees paid to primary carriers, investment counsel fees for managing assets, real estate mortgage loan service fees, real estate management fees, and custody fees for trust fund securities. All such fees shall be approved by the Nebraska Investment Council and the state investment officer.

Sec. 2. This act shall become operative on July 1, 1983.

Sec. 3. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.