

SB425

FILED

2015 MAR 31 A 11:27

WEST VIRGINIA LEGISLATURE

EIGHTY-SECOND LEGISLATURE

REGULAR SESSION, 2015

OFFICE WEST VIRGINIA
SECRETARY OF STATE



ENROLLED

Senate Bill No. 425

(BY SENATORS PLYMALE, M. HALL, PREZIOSO, LEONHARDT,
WALTERS, WILLIAMS, CARMICHAEL, LAIRD, KESSLER, STOLLINGS,
MILLER AND D. HALL)

[PASSED MARCH 14, 2015; IN EFFECT NINETY DAYS FROM PASSAGE.]

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[Passed March 14, 2015; in effect ninety days from passage.]

AN ACT to amend and reenact §12-1-12d of the Code of West Virginia, 1931, as amended, relating to investments by certain institutions of higher learning.

Be it enacted by the Legislature of West Virginia:

That §12-1-12d of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:

ARTICLE 1. STATE DEPOSITORIES.

§12-1-12d. Investments by Marshall University, West Virginia University and West Virginia School of Osteopathic Medicine.

- 1 (a) Notwithstanding any provision of this article to the
- 2 contrary, the governing boards of Marshall University, West
- 3 Virginia University and West Virginia School of Osteopathic
- 4 Medicine each may invest certain funds with its respective
- 5 nonprofit foundation that has been established to receive
- 6 contributions exclusively for that university and which exists

7 on January 1, 2005. The investment is subject to the
8 limitations of this section.

9 (b) A governing board, through its chief financial officer,
10 may enter into agreements, approved as to form by the State
11 Treasurer, for the investment by its foundation of certain
12 funds subject to their administration. Any interest or earnings
13 on the moneys invested is retained by the investing
14 university.

15 (c) Moneys of a university that may be invested with its
16 foundation pursuant to this section are those subject to the
17 administrative control of the university and that do not
18 include any funds made available to the university from the
19 state General Revenue Fund or the funds established in
20 section eighteen or eighteen-a, article twenty-two, chapter
21 twenty-nine of this code. Moneys permitted to be invested
22 under this section may be aggregated in an investment fund
23 for investment purposes.

24 (d) Investments by foundations that are authorized under
25 this section shall be made in accordance with and subject to
26 the provisions of the Uniform Prudent Investor Act, codified
27 as article six-c, chapter forty-four of this code. As part of its
28 fiduciary responsibilities, each governing board shall
29 establish investment policies in accordance with the Uniform
30 Prudent Investor Act for those moneys invested with its
31 foundation. The governing board shall review, establish and
32 modify, if necessary, the investment objectives as
33 incorporated in its investment policies so as to provide for the
34 financial security of the moneys invested with its foundation.
35 The governing boards shall give consideration to the
36 following:

37 (1) Preservation of capital;

38 (2) Diversification;

39 (3) Risk tolerance;

40 (4) Rate of return;

41 (5) Stability;

42 (6) Turnover;

43 (7) Liquidity; and

44 (8) Reasonable cost of fees.

45 (e) A governing board shall report annually by December
46 31 to the Governor and to the Joint Committee on
47 Government and Finance on the performance of investments
48 managed by its foundation pursuant to this section.

49 (f) The amendments to this section in the second
50 extraordinary session of the Legislature in 2010 apply
51 retroactively so that the authority granted by this section shall
52 be construed as if that authority did not expire on July 1,
53 2010.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

[Signature]
.....
Chairman Senate Committee

[Signature]
.....
Chairman House Committee

Originated in the Senate.

In effect ninety days from passage.

[Signature]
.....
Clerk of the Senate

[Signature]
.....
Clerk of the House of Delegates

[Signature]
.....
President of the Senate

[Signature]
.....
Speaker of the House of Delegates

The within *is approved* this the *31st*
March
Day of, 2015.

[Signature]
.....
Governor

PRESENTED TO THE GOVERNOR

MAR 27 2015

Time 3:11 pm