

Senate Engrossed House Bill

**FILED**

**JANICE K. BREWER  
SECRETARY OF STATE**

State of Arizona  
House of Representatives  
Forty-eighth Legislature  
Second Regular Session  
2008

CHAPTER 136

**HOUSE BILL 2507**

AN ACT

AMENDING SECTION 35-311, ARIZONA REVISED STATUTES; AMENDING TITLE 35, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 35-314.03; RELATING TO STATE MANAGEMENT OF PUBLIC MONIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 35-311, Arizona Revised Statutes, is amended to  
3 read:

4 35-311. State board of investment; membership; powers and  
5 duties

6 A. A state board of investment is established consisting of the state  
7 treasurer, the director of the department of administration, the  
8 superintendent of financial institutions and two individuals appointed by the  
9 state treasurer, one of whom shall have verifiable expertise in investment  
10 management and one of whom shall represent a public entity with current  
11 deposits in a local government investment pool. The state treasurer shall be  
12 chairman of the board. The board shall keep an accurate record of its  
13 proceedings. A certified copy of the record is prima facie evidence of the  
14 matters appearing in the record in any court. A meeting of the board may be  
15 called at any time by the chairman or a majority of the board members.

16 B. The state board of investment shall:

17 1. Hold regular monthly meetings.

18 2. Review investments of treasury monies.

19 3. Serve as trustees of the permanent state land funds and provide  
20 management of the assets of the funds consistent with the requirements of  
21 article X, section 7, Constitution of Arizona.

22 4. SERVE AS TRUSTEES OF ANY ENDOWMENTS ESTABLISHED PURSUANT TO SECTION  
23 35-314.03.

24 C. The state treasurer shall furnish to the board of investment at its  
25 regular monthly meeting a report of the performance of current investments  
26 and a report of the current investments as of the close of business of the  
27 preceding month. The state treasurer shall make these reports available for  
28 inspection by the public during normal working hours at the office of the  
29 state treasurer for a period of time of not less than two years after the  
30 date of the report.

31 D. The board of investment may order the state treasurer to sell any  
32 of the securities, and any order shall specifically describe the securities  
33 and fix the time period during which they are to be sold. Securities so  
34 ordered to be sold shall be sold for cash by the state treasurer at the  
35 current market price. The state treasurer and the members of the board are  
36 not accountable for any loss occasioned by sales of securities at prices  
37 lower than their book value. Any loss shall be charged against earnings  
38 received from interest or capital gains on the applicable treasury monies.

39 E. The board may establish standards in addition to those established  
40 by section 35-317, subsection A for the qualification of agents acting  
41 pursuant to section 35-317, subsection B.

1           Sec. 2. Title 35, chapter 2, article 2, Arizona Revised Statutes, is  
2 amended by adding section 35-314.03, to read:

3           35-314.03. Political subdivision endowment funds: state  
4                           investment authority

5           A. IN ADDITION TO THE INVESTMENT AUTHORITY IN SECTION 35-313, THE  
6 STATE TREASURER MAY INVEST AND REINVEST TRUST MONIES OF THIS STATE, STATE  
7 AGENCIES, POLITICAL SUBDIVISIONS AND TRIBAL NATIONS IN EQUITY SECURITIES  
8 PURSUANT TO SECTION 35-314 FOR LONG-TERM ENDOWMENT FUNDS.

9           B. MONIES SHALL NOT BE TAKEN FROM ONE ENDOWMENT FUND FOR DEPOSIT IN  
10 ANY OTHER ENDOWMENT FUND.

11           C. ALL MONIES IN THESE ENDOWMENT FUNDS SHALL BE INVESTED IN SAFE  
12 INTEREST-BEARING SECURITIES AND PRUDENT EQUITY SECURITIES CONSISTENT WITH THE  
13 REQUIREMENTS OF SECTION 35-314.

14           D. THE EARNINGS, INTEREST, DIVIDENDS AND REALIZED CAPITAL GAINS AND  
15 LOSSES FROM INVESTMENT OF EACH ENDOWMENT FUND SHALL BE CREDITED TO THAT FUND.

16           E. THE GOVERNING BODY OF ANY POLITICAL SUBDIVISION, PUBLIC TRUST OR  
17 PUBLIC ENTITY, INCLUDING TRIBAL NATIONS, BY THE ADOPTION OF A RESOLUTION OF  
18 CONTINUING EFFECT, MAY AUTHORIZE AND REQUEST THE STATE TREASURER TO INVEST  
19 TRUST MONIES INTO A LONG-TERM ENDOWMENT AND SET FORTH THE TERMS OF THE  
20 DISTRIBUTIONS FROM SUCH ENDOWMENT FOR THE GOVERNING BODY PURSUANT TO THIS  
21 SECTION.

APPROVED BY THE GOVERNOR APRIL 29, 2008.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 29, 2008.

Passed the House March 19, 2008

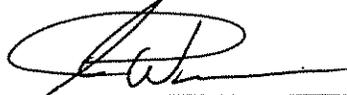
Passed the Senate April 23, 2008

by the following vote: 59 Ayes,

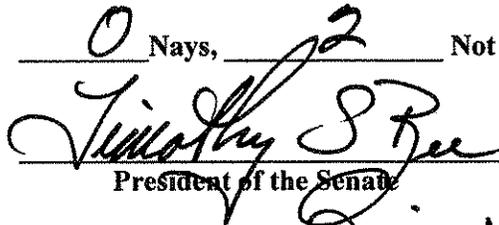
by the following vote: 28 Ayes,

0 Nays, 1 Not Voting

0 Nays, 2 Not Voting



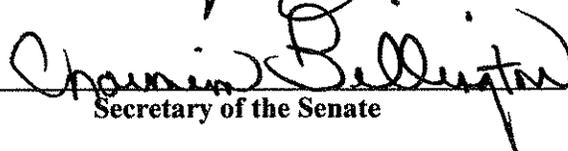
Speaker of the House



President of the Senate



Chief Clerk of the House



Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill received by the Governor this

\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary to the Governor

Approved this \_\_\_\_\_ day of

\_\_\_\_\_

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State

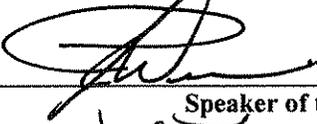
H.B. 2507

HOUSE CONCURS IN SENATE  
AMENDMENTS AND FINAL PASSAGE

April 24, 2008,

by the following vote: 50 Ayes,

0 Nays, 10 Not Voting

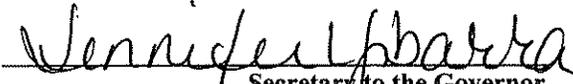
  
Speaker of the House  
  
Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

24th day of April, 2008,

at 1:00 o'clock P. M.

  
Secretary to the Governor

Approved this 29 day of

April, 2008,

at 1:52 o'clock P. M.

  
Governor of Arizona

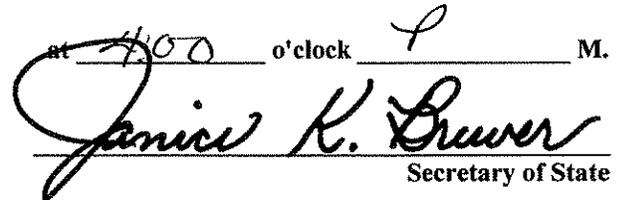
H.B. 2507

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 29 day of April, 2008,

at 4:00 o'clock P. M.

  
Secretary of State