21.0111.01000

Sixty-seventh
Legislative Assembly
of North Dakota

FIRST DRAFT:
Prepared by the Legislative Council staff for the
Legacy Fund Earnings Committee
July 2020

Introduced by

A BILL for an Act to create and enact a new section to chapter 21-10 of the North Dakota Century Code, relating to a legacy earnings fund; and to amend and reenact subsection 1 of section 21-10-06 of the North Dakota Century Code, relating to funds invested by the state investment board.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 1 of section 21-10-06 of the North Dakota Century Code is amended and reenacted as follows:

1. Subject to the provisions of section 21-10-02, the board shall invest the following funds:
   a. State bonding fund.
   b. Teachers' fund for retirement.
   c. State fire and tornado fund.
   d. Workforce safety and insurance fund.
   e. Public employees retirement system.
   f. Insurance regulatory trust fund.
   g. State risk management fund.
   h. Budget stabilization fund.
   i. Health care trust fund.
   j. Cultural endowment fund.
   k. Petroleum tank release compensation fund.
   l. Legacy fund.
   m. Legacy earnings fund.
   n. A fund under contract with the board pursuant to subsection 3.

SECTION 2. A new section to chapter 21-10 of the North Dakota Century Code is created and enacted as follows:

Legacy earnings fund - State treasurer - Transfers - Reserve balance.

1. There is created in the state treasury the legacy earnings fund. The fund consists of all moneys transferred to the fund under subsection 2 and all interest and earnings upon moneys in the fund.
2. Any legacy fund earnings transferred to the general fund at the end of each biennium in accordance with section 26 of article X of the Constitution of North Dakota must be immediately transferred by the state treasurer to the legacy earnings fund.
3. Any amounts transferred under subsection 2 in excess of the amount available for appropriation under subsection 4 must be retained in the fund and designated as a reserve balance. The reserve balance may be used only to supplement legacy fund earnings in a biennium in which the amounts transferred under subsection 2 are less than the amount available for appropriation under subsection 4.
4. For each biennium subsequent to the biennium in which the legacy fund earnings are transferred under subsection 2, the amount available for appropriation from the legacy earnings fund is _____ percent of the_____-year average value of the legacy fund assets as reported by the state investment board. The average value of the legacy fund assets must be calculated using the value of the assets at the end of each fiscal year for the _____-year period ending with the most recently completed even-numbered fiscal year.

NOTE: This bill contains one or more blanks that need to be filled in before introduction.