

Introduced by

Representative Lefor

1 A BILL for an Act to amend and reenact sections 6-09.4-10.1 and 21-10-13 of the North Dakota
2 Century Code, relating to a transfer from the legacy earnings fund to the public employees
3 retirement system main system plan; to provide an effective date; and to declare an emergency.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. AMENDMENT.** Section 6-09.4-10.1 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **6-09.4-10.1. Legacy sinking and interest fund - Debt service requirements - Public**
8 **finance authority.**

9 There is created in the state treasury the legacy sinking and interest fund. The fund consists
10 of all moneys deposited in the fund under section 21-10-13. Moneys in the fund may be spent
11 by the public finance authority pursuant to legislative appropriations to meet the debt service
12 requirements for evidences of indebtedness issued by the authority for transfer to the Bank of
13 North Dakota for allocations to infrastructure projects and programs. ~~Any moneys in the fund in~~
14 ~~excess of the amounts appropriated from the fund to meet the debt service requirements for a~~
15 ~~biennium must be transferred by the state treasurer to the public employees retirement system~~
16 ~~main system plan under chapter 54-52, but only if the public employees retirement system main~~
17 ~~system plan's actuarial funded ratio as reported for the most recently completed even-~~
18 ~~numbered fiscal year is less than ninety percent. If the public employees retirement system~~
19 ~~main system plan's actuarial funded ratio is ninety percent or more and then subsequently~~
20 ~~decreases below ninety percent, the state treasurer may not resume the transfers under this~~
21 ~~subdivision unless the main system plan's actuarial funded ratio is less than seventy percent.~~

22 **SECTION 2. AMENDMENT.** Section 21-10-13 of the North Dakota Century Code is
23 amended and reenacted as follows:

1 **21-10-13. Legacy earnings fund - State treasurer - Transfers.**

2 1. There is created in the state treasury the legacy earnings fund. The fund consists of all
3 moneys transferred to the fund under subsection 2 and all interest and earnings upon
4 moneys in the fund.

5 2. Any legacy fund earnings transferred to the general fund at the end of each biennium
6 in accordance with section 26 of article X of the Constitution of North Dakota must be
7 immediately transferred by the state treasurer to the legacy earnings fund.

8 3. For each biennium subsequent to the biennium in which the legacy fund earnings are
9 transferred under subsection 2, the amount available for appropriation from the legacy
10 earnings fund is seven percent of the five-year average value of the legacy fund
11 assets as reported by the state investment board. The average value of the legacy
12 fund assets must be calculated using the value of the assets at the end of each fiscal
13 year for the five-year period ending with the most recently completed even-numbered
14 fiscal year.

15 4. On July first of each odd-numbered year, from the amount available for appropriation
16 or transfer from the legacy earnings fund for the biennium, the state treasurer shall
17 transfer funding in the following order:

18 a. The lesser of the first one hundred fifty million dollars or an amount equal to any
19 legislative appropriations to meet the debt service requirements for a biennium
20 for evidences of indebtedness issued by the public finance authority for transfer
21 to the Bank of North Dakota for allocations to infrastructure projects and
22 programs to the legacy sinking and interest fund under section 6-09.4-10.1.

23 b. The next fifty million dollars to the public employees retirement system main
24 system plan under chapter 54-52, but only if the public employees retirement
25 system main system plan's actuarial funded ratio as reported for the most
26 recently completed even-numbered fiscal year is less than ninety percent. If the
27 public employees retirement system main system plan's actuarial funded ratio is
28 ninety percent or more and subsequently decreases below ninety percent, the
29 state treasurer may not resume the transfers under this subdivision unless the
30 main system plan's actuarial funded ratio is less than seventy percent as reported
31 for the most recently completed even-numbered fiscal year.

- 1 c. The next sixty million dollars to the highway tax distribution fund for allocations
2 under section 54-27-19.
- 3 e-d. Any remaining funds for other purposes as designated by the legislative
4 assembly, including:
- 5 (1) Up to fifty million dollars for tax relief pursuant to appropriations or transfers
6 authorized by the legislative assembly;
- 7 (2) Up to thirty million dollars to the clean sustainable energy fund pursuant to
8 appropriations or transfers authorized by the legislative assembly; and
- 9 (3) Up to thirty million dollars for university research programs, the innovation
10 loan fund to support technology advancement, and workforce enrichment
11 initiatives pursuant to appropriations or transfers authorized by the
12 legislative assembly.
- 13 5. If the amounts transferred under subsection 2 exceed the amount available for
14 appropriation under subsection 3, an amount equal to any appropriations from the
15 legacy sinking and interest fund for bond payments under section 6-09.4-10.1 must be
16 retained in the legacy earnings fund through June 30, 2025, after which an amount
17 equal to twice any appropriations from the legacy sinking and interest fund under
18 section 6-09.4-10.1 for bond payments, but not more than one hundred fifty million
19 dollars, must be retained in the legacy earnings fund. After deducting any amounts to
20 be retained in the legacy earnings fund, the state treasurer shall transfer, within thirty
21 days, any remaining amounts under this subsection in the following order:
- 22 a. The first one hundred million dollars to the legacy fund to become part of the
23 principal.
- 24 b. Any remaining amount to the strategic investment and improvements fund to be
25 used in accordance with the provisions of section 15-08.1-08.

26 **SECTION 3. EFFECTIVE DATE.** This Act becomes effective July 1, 2023.

27 **SECTION 4. EMERGENCY.** This Act is declared to be an emergency measure.