

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1379

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact sections 6-09.4-10.1 and 21-10-13 of the North Dakota Century Code, relating to the legacy sinking and interest fund and the legacy earnings fund; to provide an effective date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

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

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

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

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

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. 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 seven percent of the five-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 five-year period ending with the most recently completed even-numbered fiscal year.

4. On July first of each odd-numbered year, from the amount available for appropriation or transfer from the legacy earnings fund for the biennium, the state treasurer shall transfer funding in the following order:
 - a. ~~The first one hundred fiftytwo million six hundred twenty thousand four hundred sixty-one~~ dollars to the legacy sinking and interest fund under section 6-09.4-10.1.
 - b. The next two hundred twenty-five million dollars to the general fund to provide support for tax relief initiatives approved by the legislative assembly.
 - c. The next sixtyone hundred million dollars to the legacy earnings highway tax distribution fund for allocations under section 54-27-1954-27-19.3.
 - e.d. ~~Any remaining funds for other purposes as designated by the legislative assembly, including amounts under this subsection as follows:~~
 - (1) ~~Up to fifty million dollars for tax relief pursuant to appropriations or transfers authorized by the legislative assembly; Fifty percent to the general fund.~~
 - (2) ~~Up to thirty million dollars to the clean sustainable energy fund pursuant to appropriations or transfers authorized by the legislative assembly; and~~
 - (3) ~~Up to thirty million dollars for university research programs, the innovation loan fund to support technology advancement, and workforce enrichment initiatives pursuant to appropriations or transfers authorized by the legislative assembly~~The remaining fifty percent to the strategic investment and improvements fund to be used in accordance with the provisions of section 15-08.1-08.
5. ~~If the amounts transferred under subsection 2 exceed the amount available for appropriation under subsection 3, an amount equal to any appropriations from the legacy sinking and interest fund for bond payments under section 6-09.4-10.1 must be retained in the legacy earnings fund through June 30, 2025, after which an amount equal to twice any appropriations from the legacy sinking and interest fund under section 6-09.4-10.1 for bond payments, but not more than one hundred fifty million dollars, must be retained in the legacy earnings fund. After deducting any amounts to be retained in the legacy earnings fund, the state treasurer shall transfer, within thirty days, any remaining amounts under this subsection in the following order~~the state treasurer shall transfer the excess and any remaining amounts after the transfers and appropriations under subsection 4, as follows:

- a. ~~The first one hundred million dollars to the legacy fund to become part of the principal~~Fifty percent to the general fund.
- b. ~~Any remaining amount to the~~The remaining fifty percent to the strategic investment and improvements fund to be used in accordance with the provisions of section 15-08.1-08.

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

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

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1379 - Summary of Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
State Treasurer				
Total all funds	\$0	\$100,000,000	(\$100,000,000)	\$0
Less estimated income	0	100,000,000	(100,000,000)	0
General fund	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
FTE	0.00	0.00	0.00	0.00
Bank of North Dakota				
Total all funds	\$0	\$10,000,000	(\$10,000,000)	\$0
Less estimated income	0	10,000,000	(10,000,000)	0
General fund	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
FTE	0.00	0.00	0.00	0.00
Department of Commerce				
Total all funds	\$0	\$10,000,000	(\$10,000,000)	\$0
Less estimated income	0	10,000,000	(10,000,000)	0
General fund	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
FTE	0.00	0.00	0.00	0.00
Bill total				
Total all funds	\$0	\$120,000,000	(\$120,000,000)	\$0
Less estimated income	0	120,000,000	(120,000,000)	0
General fund	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
FTE	0.00	0.00	0.00	0.00

House Bill No. 1379 - State Treasurer - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
County and township bridge repairs		\$100,000,000	(\$100,000,000)	
Total all funds	\$0	\$100,000,000	(\$100,000,000)	\$0
Less estimated income	0	100,000,000	(100,000,000)	0
General fund	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
FTE	0.00	0.00	0.00	0.00

Department 120 - State Treasurer - Detail of Senate Changes

	Removes Funding for Bridge Allocations¹	Total Senate Changes
County and township bridge repairs	(\$100,000,000)	(\$100,000,000)
Total all funds	(\$100,000,000)	(\$100,000,000)
Less estimated income	(100,000,000)	(100,000,000)
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$100 million from the county and township bridge fund, which was included by the House for allocations to counties for county and township bridge repairs, is removed.

The schedule below provides information on the 2023-25 biennium allocations from the legacy earnings fund under current law, the House version, and this amendment.

Current Law	Engrossed House Bill No. 1379 - House Version	Engrossed House Bill No. 1379 With Proposed Amendments [23.0695.02007]
<p>Allocations from the legacy earnings fund based on the percent of market value using 7 percent of the 5-year average balance of the legacy fund</p> <ul style="list-style-type: none"> • First \$150 million to the legacy sinking and interest fund. • Next \$60 million to the highway tax distribution fund. • Any remaining amounts for other legislative purposes including: <ul style="list-style-type: none"> • Up to \$50 million for tax relief pursuant to appropriations or transfers. • Up to \$30 million to the clean sustainable energy fund pursuant to appropriations or transfers. • Up to \$30 million for university research programs, the innovation loan fund to support technology advancement, and workforce enrichment initiatives pursuant to appropriations or transfers. 	<p>Allocations from the legacy earnings fund based on the percent of market value using 7 percent of the 5-year average balance of the legacy fund</p> <ul style="list-style-type: none"> • First \$150 million to the legacy sinking and interest fund. • Next \$60 million to the highway tax distribution fund. • Next \$200 million for tax relief pursuant to appropriation or transfer. • Next \$30 million to the clean sustainable energy fund. • Next \$10 million to a newly created economic diversification research fund. • Next \$10 million to the innovation loan fund to support technology advancement. • Next \$10 million to a newly created workforce development and enrichment fund. • Next \$16.6 million to a newly created legacy projects fund. 	<p>Allocations from the legacy earnings fund based on the percent of market value using 7 percent of the 5-year average balance of the legacy fund</p> <ul style="list-style-type: none"> • First \$102.6 million to the legacy sinking and interest fund. • Next \$225 million to the general fund for tax relief. • Next \$100 million to a newly created legacy earnings highway distribution fund. • Any remaining amounts transferred 50 percent to the general fund and 50 percent to the strategic investment and improvements fund.
<p>Allocations from the legacy earnings fund exceeding the percent of market value</p> <ul style="list-style-type: none"> • An amount equal to any appropriations from the legacy sinking and interest fund for bond payments to be retained in the legacy earnings fund. • First \$100 million to the legacy fund to become part of the principal. • Any remaining amounts to the strategic investment and improvements fund. 	<p>Allocations from the legacy earnings fund exceeding the percent of market value</p> <ul style="list-style-type: none"> • First \$73.4 million to a newly created legacy projects fund. • Next \$100 million to a newly created county and township bridge fund. • Next \$15 million to the agriculture diversification and development fund. • Next \$15 million to the bioscience innovation grant program. • An amount equal to 1 percent of the 5-year average balance of the legacy fund to the legacy fund to become part of the principal. • Any remaining amounts to the strategic investment and improvements fund. 	<p>Allocations from the legacy earnings fund exceeding the percent of market value</p> <ul style="list-style-type: none"> • Any excess and any other remaining amounts transferred 50 percent to the general fund and 50 percent to the strategic investment and improvements fund.

	Other sections in bill, excluding appropriations	Other sections in bill, excluding appropriations
	<ul style="list-style-type: none"> • Creates an economic diversification fund to provide grants to institutions of higher education for research projects. • Amends the legacy sinking and interest fund to remove a transfer to the Public Employees Retirement System main system plan effective July 1, 2025. • Creates a workforce development and enrichment fund to provide grants to support workforce development through one-time projects and initiatives. • Provides a separate allocation of \$70 million from the legacy earnings fund to the Public Employees Retirement System main system plan effective July 1, 2025. • Creates a legacy projects fund and a legacy projects advisory board to recommend funding for projects and infrastructure with a statewide benefit. • Creates a county and township bridge fund to provide grants to counties for the repair or replacement of county and township bridges. 	<ul style="list-style-type: none"> • Amends the legacy sinking and interest fund to remove a transfer to the Public Employees Retirement System main system plan. • Provides an effective date of July 1, 2023, and an emergency clause for the bill.

House Bill No. 1379 - Bank of North Dakota - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Economic diversification research		\$10,000,000	(\$10,000,000)	
Total all funds	\$0	\$10,000,000	(\$10,000,000)	\$0
Less estimated income	0	10,000,000	(10,000,000)	0
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

Department 471 - Bank of North Dakota - Detail of Senate Changes

	Removes Funding for Economic Research¹	Total Senate Changes
Economic diversification research	(\$10,000,000)	(\$10,000,000)
Total all funds	(\$10,000,000)	(\$10,000,000)
Less estimated income	(10,000,000)	(10,000,000)
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$10 million from the economic diversification research fund, which was included by the House for grants to institutions of higher education for research, is removed.

House Bill No. 1379 - Department of Commerce - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Strategic workforce initiatives		\$10,000,000	(\$10,000,000)	
Total all funds	\$0	\$10,000,000	(\$10,000,000)	\$0
Less estimated income	0	10,000,000	(10,000,000)	0
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

Department 601 - Department of Commerce - Detail of Senate Changes

	Removes Funding for Workforce Enrichment¹	Total Senate Changes
Strategic workforce initiatives	(\$10,000,000)	(\$10,000,000)
Total all funds	(\$10,000,000)	(\$10,000,000)
Less estimated income	(10,000,000)	(10,000,000)
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$10 million from the workforce enrichment and development fund, which was included by the House for grants to support workforce initiatives, is removed.