

Introduced by

Legislative Management

1 A BILL for an Act to amend and reenact section 54-52-03 of the North Dakota Century Code,
2 relating to the membership of the public employees retirement system board; to provide for
3 duties of the public employees retirement system and public employees retirement system
4 board; to provide an exemption; to provide for retroactive application; and to provide an effective
5 date.

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

7 **SECTION 1. AMENDMENT.** Section 54-52-03 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **54-52-03. Governing authority.**

10 1. A state agency is ~~hereby~~ created to constitute the governing authority of the system to
11 consist of a board of ~~nine~~eleven individuals known as the retirement board. No more
12 than one elected member of the board may be in the employ of a single department,
13 institution, or agency of the state or in the employ of a political subdivision. An
14 employee of the public employees retirement system or the state retirement and
15 investment office may not serve on the board.

16 ~~4.~~ ~~Two~~

17 2. Four members of the legislative assembly must be appointed ~~by the chairman of the~~
18 ~~legislative management~~ to serve on the board.

19 ~~a.~~ ~~If the same political party has the greatest number of members in both the house~~
20 ~~and senate, one member must be from that majority party and one member from~~
21 ~~the political party with the next greatest number of members in the house and~~
22 ~~senate.~~

1 b. ~~If the same political party does not have the greatest number of members in both~~
2 ~~the house and senate, one member must be from the majority party in the house~~
3 ~~and one member must be from the majority party in the senate.~~

4 2. ~~One member~~ The majority leader of the house of representatives shall appoint two
5 members of the house of representatives and the majority leader of the senate shall
6 appoint two members of the senate. The members appointed under this subsection
7 shall serve a term of two years. A member appointed under this subsection serves at
8 the pleasure of the appointing majority leader.

9 3. ~~Four members~~ of the board must be appointed by the governor to serve a term of
10 ~~five~~two years, ~~for no more than a total of six years.~~ The ~~Each~~ appointee under this
11 subsection must be a North Dakota citizen who is not a state or political subdivision
12 employee and who by experience is familiar with money management~~retirement~~ and
13 employee benefit plans. The governor shall appoint one citizen member ~~isto~~ serve as
14 chairman of the board. A member appointed under this subsection serves at the
15 pleasure of the governor.

16 ~~3.4.~~ One member of the board must be appointed by the attorney general from the
17 attorney general's legal staff and shall serve a term of five years. One member of the
18 board must be appointed by the insurance commissioner. One member of the board
19 must be appointed by the tax commissioner. Each member appointed under this
20 subsection must be receiving retirement benefits under or be an active participating
21 member under this chapter, the retirement plan established under chapter 54-52.6, the
22 retirement plan established under chapter 39-03.1, or the job service North Dakota
23 retirement plan. A member appointed under this subsection shall serve a term of two
24 years. A member appointed under this subsection serves at the pleasure of the
25 appointing officer.

26 4. ~~The state health officer appointed under section 23-01-05 or the state health officer's~~
27 ~~designee is a member of the board.~~

28 ~~5.4. Three board members must be elected by and from among the active participating~~
29 ~~members, members of the retirement plan established under chapter 54-52.6,~~
30 ~~members of the retirement plan established under chapter 39-03.1, and members of~~
31 ~~the job service North Dakota retirement plan. Employees who have terminated their~~

~~employment for whatever reason are not eligible to serve as elected members of the board under this subsection. Board members must be elected to a five-year term pursuant to an election called by the board. Notice of board elections must be given to all active participating members. The time spent in performing duties as a board member may not be charged against any employee's accumulated annual or any other type of leave.~~

6. One board member must be elected by and from among those individuals who are receiving retirement benefits under this chapter. The board shall call the election and must give prior notice of the election to the individuals eligible to participate in the election pursuant to this subsection. The board member shall serve a term of five years.

7.5. The members of the board are entitled to receive one hundred forty-eight dollars per day compensation and necessary mileage and travel expenses as provided in sections 44-08-04 and 54-06-09. This is in addition to any other pay or allowance due the chairman or a member, plus an allowance for expenses they may incur through service on the board.

8.6. A board member shall serve a five-year term and until the board member's successor qualifies. Each board member is entitled to one vote, and ~~five~~six~~eight~~ of the ~~nine~~eleven board members constitute a quorum. ~~Five~~Six ~~votes are necessary for resolution or action by the board at any meeting.~~

7. A legislator member does not have a conflict of interest in a matter before the board based solely on that member's status of being a legislator.

8. A person may not bring a civil action against the board unless that person has a unique and significant injury.

SECTION 2. PUBLIC EMPLOYEES RETIREMENT SYSTEM - MAIN SYSTEM DEFINED

BENEFIT PLAN INVESTMENTS. During the 2023-25 biennium, the retirement board may not reduce the actuarial rate of return assumption for the public employees retirement system main system defined benefit plan below six and one-half percent.

SECTION 3. PUBLIC EMPLOYEES RETIREMENT SYSTEM - RETIREMENT PLAN

TRANSITION EDUCATION. During the 2023-25 biennium, the public employees retirement system shall conduct an informational campaign to educate current and prospective state

1 employees of the transition from the defined benefit retirement plan to the defined contribution
2 retirement plan.

3 **SECTION 4. PUBLIC EMPLOYEES RETIREMENT SYSTEM BOARD - TRANSITION.**

4 Upon the effective date of this Act, the terms of all members of the public employees retirement
5 system board end, and within fourteen days following the effective date of this Act, all appointing
6 officers shall appoint individuals to serve on the board.

7 **SECTION 5. EXEMPTION - EMPLOYEE BENEFITS PROGRAMS COMMITTEE.** This Act
8 is exempt from the requirements of section 54-35-02.4.

9 **SECTION 6. RETROACTIVE APPLICATION.** Sections 2 and 3 of this Act apply
10 retroactively to July 1, 2023.

11 **SECTION 7. EFFECTIVE DATE.** This Act becomes effective immediately upon its filing with
12 the secretary of state.