

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2372

Introduced by

Senators Bekkedahl, Hogue, Patten, Rummel

Representatives Lefor, Vigesaa

1 | A BILL for an Act to create and enact ~~at two new sections~~ two new sections to chapter 54-27 of the North
2 | Dakota Century Code, relating to a legacy earnings fund and a legacy property tax relief fund;
3 | to amend and reenact section 6-09.4-10.1, subsection 1 of section 21-10-06, and section
4 | 54-27-19.3 of the North Dakota Century Code, relating to funds invested by the state
5 | investment board; to repeal sections 21-10-12 and 21-10-13 of the North Dakota Century Code,
6 | relating to legacy fund definitions and a legacy earnings fund; to provide an effective date; and
7 | to declare an emergency.

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

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

11 | **6-09.4-10.1. Legacy sinking and interest fund - Debt service requirements - Public**
12 | **finance authority.**

13 | There is created in the state treasury the legacy sinking and interest fund. The fund consists
14 | of all moneys deposited in the fund under section ~~21-10-1334~~ of this Act. Moneys in the fund
15 | may be spent by the public finance authority pursuant to legislative appropriations to meet the
16 | debt service requirements for evidences of indebtedness issued by the authority for transfer to
17 | the Bank of North Dakota for allocations to infrastructure projects and programs.

18 | **SECTION 2. AMENDMENT.** Subsection 1 of section 21-10-06 of the North Dakota Century
19 | Code is amended and reenacted as follows:

Sixty-ninth
Legislative Assembly

- 1 1. Subject to the provisions of section 21-10-02, the board shall invest the following
- 2 funds:
- 3 a. State bonding fund.
- 4 b. Teachers' fund for retirement.
- 5 c. State fire and tornado fund.
- 6 d. Workforce safety and insurance fund.
- 7 e. Public employees retirement system.
- 8 f. Insurance regulatory trust fund.
- 9 g. State risk management fund.
- 10 h. Budget stabilization fund.
- 11 i. Water projects stabilization fund.
- 12 j. Health care trust fund.
- 13 k. Cultural endowment fund.
- 14 l. Petroleum tank release compensation fund.
- 15 m. Legacy fund.
- 16 n. ~~Legacy earnings fund.~~
- 17 o. Opioid settlement fund.
- 18 ~~p-q.~~ A fund under contract with the board pursuant to subsection 3.

19 **SECTION 3. AMENDMENT.** Section 54-27-19.3 of the North Dakota Century Code is
20 amended and reenacted as follows:

21 **54-27-19.3. Legacy earnings highway distribution fund.**

22 A legacy earnings highway distribution fund is created as a special fund in the state treasury
23 into which must be deposited any allocations of legacy fund earnings made under section
24 ~~21-10-134~~ of this Act. Any moneys in the legacy earnings highway distribution fund must be
25 allocated and transferred by the state treasurer, as follows:

- 26 1. Sixty percent must be transferred to the department of transportation for deposit in the
- 27 state highway fund;
- 28 2. Ten percent must be transferred to the legacy earnings township highway aid fund;
- 29 3. One and five-tenths percent must be transferred to the public transportation fund; and
- 30 4. Twenty-eight and five-tenths percent must be allocated to cities and counties using the
- 31 formula established in subsection 4 of section 54-27-19. Moneys received by counties

1 and cities must be used for roadway purposes in accordance with section 11 of
2 article X of the Constitution of North Dakota.

3 **SECTION 4.** A new section to chapter 54-27 of the North Dakota Century Code is created
4 and enacted as follows:

5 **Legacy earnings fund - State treasurer - Legacy fund distribution - Allocations.**

- 6 1. There is created in the state treasury the legacy earnings fund. The fund consists of all
7 moneys distributed by the state treasurer from the legacy fund pursuant to section 26
8 of article X of the Constitution of North Dakota. The distribution from the legacy fund
9 on July first of each odd-numbered year must be equal to eight percent of the five-year
10 average value of the legacy fund balance as reported by the state investment board.
11 The average value of the legacy fund balance must be calculated using the fund
12 balance at the end of each fiscal year for the five-year period ending with the most
13 recently completed even-numbered fiscal year.
- 14 2. From the amount distributed to the legacy earnings fund under subsection 1, the state
15 treasurer shall allocate seven-eighths of the funding in July of each odd-numbered
16 year in the following order:
- 17 a. The first one hundred two million six hundred twenty-four thousand dollars or an
18 amount equal to the amount appropriated from the legacy sinking and interest
19 fund for debt service payments for a biennium, whichever is less, to the legacy
20 sinking and interest fund under section 6-09.4-10.1.
- 21 b. ~~The next two hundred twenty-five million dollars to the general fund to provide~~
22 ~~support for tax relief initiatives approved by the legislative assembly.~~
- 23 ~~c.~~ The next one hundred million dollars to the legacy earnings highway distribution
24 fund for allocations under section 54-27-19.3.
- 25 ~~d-c.~~ The remaining amount as follows:
- 26 ~~(1) Fifty percent to the general fund.~~
- 27 ~~(2) The remainder to the strategic investment and improvements fund to be~~
28 ~~used in accordance with section 15-08.1-08 to the legacy property tax relief~~
29 ~~fund under section 5 of this Act.~~
- 30 3. From the amount distributed to the legacy earnings fund under subsection 1, the state
31 treasurer shall allocate the remaining one-eighth of the funding in July of each

1 odd-numbered year to the legacy earnings highway distribution fund for allocations
2 under section 54-27-19.3.

3 ~~— **SECTION 4. AMENDMENT.** Section 54-27-19.3 of the North Dakota Century Code is~~
4 ~~amended and reenacted as follows:~~

5 ~~— **54-27-19.3. Legacy earnings highway distribution fund.**~~

6 ~~— A legacy earnings highway distribution fund is created as a special fund in the state treasury~~
7 ~~into which must be deposited any allocations of legacy fund earnings made under section~~
8 ~~21-10-133 of this Act. Any moneys in the legacy earnings highway distribution fund must be~~
9 ~~allocated and transferred by the state treasurer, as follows:~~

10 ~~— 1. Sixty percent must be transferred to the department of transportation for deposit in the~~
11 ~~state highway fund;~~

12 ~~— 2. Ten percent must be transferred to the legacy earnings township highway aid fund;~~

13 ~~— 3. One and five tenths percent must be transferred to the public transportation fund; and~~

14 ~~— 4. Twenty eight and five tenths percent must be allocated to cities and counties~~
15 ~~using the formula established in subsection 4 of section 54-27-19. Moneys received by~~
16 ~~counties and cities must be used for roadway purposes in accordance with section 11-~~
17 ~~of article X of the Constitution of North Dakota.~~

18 **SECTION 5.** A new section to chapter 54-27 of the North Dakota Century Code is created
19 and enacted as follows:

20 **Legacy property tax relief fund.**

21 There is created in the state treasury the legacy property tax relief fund. The fund consists
22 of all moneys allocated to the fund under section 4 of this Act and all moneys transferred to the
23 fund by the legislative assembly.

24 **SECTION 6. REPEAL.** Sections 21-10-12 and 21-10-13 of the North Dakota Century Code
25 are repealed.

26 **SECTION 7. EFFECTIVE DATE.** This Act becomes effective on July 1, 2025.

27 **SECTION 8. EMERGENCY.** This Act is declared to be an emergency measure.