

Testimony

House Bill 1380 – Related to an Amending NDCC Section 21-10-12 Legacy Fund Principal

House Appropriations

February 2, 2021

Chairman Delzer, and members of the House Appropriations Committee – I am Dave Hunter, Executive Director / Chief Investment Officer of the North Dakota Retirement and Investment Office. I am providing the attached information for today's hearing to provide neutral technical written testimony on a proposed amendment to **NDCC Section 21-10-12 Legacy Fund – Earnings** including a new definition for Principal. This testimony is identical to that provided yesterday for HB 1275, which has the same language included for the definition of principal. For an abundance of clarity, this revised definition of "Principal" excludes net unrealized gains and losses.

Following is the suggested language to be used to define principal for the Legacy Fund:

"Principal" means all transfers into the legacy fund under North Dakota Constitution, Article X, Section 26, paragraph 1 and all earnings as defined in subsection 1 earned prior to July 1, 2017. Principal also includes realized earnings, as defined in subsection 1 and earned after June 30, 2017, that are reinvested in the fund after having been transferred to the general fund.