JOURNAL OF THE SENATE - SPECIAL SESSION

Sixty-eighth Legislative Assembly

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Bismarck, October 24, 2023

The Senate convened at 8:30 a.m., with President Miller presiding.

The prayer was offered by Pastor Matt Thompson, Holy Cross Lutheran Church, Bismarck.

The roll was called and all members were present.

A quorum was declared by the President.

REPORT OF STANDING COMMITTEE

SB 2393: Joint Appropriations Committee (Sen. Bekkedahl, Co-Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (16 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2393 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

Page 1, replace line 21 with:

"Emergency commission contingency fund	400,000	350,000	750,000"

Page 2, replace lines 8 through 10 with:

"Total all funds	$42,754,708	$237,919,854	$280,674,562
Less estimated income	8,828,309	137,175,715	146,004,024
Total general fund	$33,926,399	$100,744,139	$134,670,538"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment increases the Emergency Commission's state contingency fund by $350,000 from the general fund, from $400,000 to $750,000.

REPORT OF STANDING COMMITTEE

SB 2394: Joint Appropriations Committee (Sen. Bekkedahl, Co-Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (16 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2394 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

Page 1, line 2, after the first semicolon insert "to provide an appropriation to the adjutant general for 2021-23 snow removal grants;"

Page 1, after line 8, insert:

"**SECTION 2. APPROPRIATION - ADJUTANT GENERAL - 2021-23 SNOW REMOVAL GRANTS - EXTENSION.**

1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $106,000, or so much of the sum as may be necessary, to the adjutant general for the purpose of providing additional 2021-23 snow removal grants to tribal governments, counties, cities, and townships, for the period beginning with the effective date of this Act and ending June 30, 2025.

2. A tribal government, county, township, or city that did not receive a snow removal grant during the 2021-23 biennium and submitted its application and required documentation for a 2021-23 snow removal grant to the department of emergency services prior to October 20, 2023, is eligible for a grant under this section. The department of emergency services

shall provide an early season snow removal grant to an eligible entity under this section for reimbursement of up to sixty percent of the snow removal costs incurred by the tribal government, county, city, or township for the period of October 1, 2022, through December 31, 2022, which exceeded one hundred fifty percent of the average snow removal cost for the three-month period of October through December for the four lowest cost years during the years 2017 through 2021; and a full season emergency snow removal grant to an eligible entity under this section for reimbursement of up to sixty percent of the snow removal costs incurred by the tribal government, county, city, or township for the period of October 1, 2022, through April 30, 2023, which exceeded one hundred fifty percent of the average snow removal cost for the seven-month period of October to April for the four lowest cost years for those years during the period beginning October 1, 2017, through April 30, 2022."

Renumber accordingly

STATEMENT OF PURPOSE

This amendment provides a $106,000 appropriation from the general fund to the Adjutant General for 2021-23 snow removal grants.

REPORT OF STANDING COMMITTEE

SB 2395: Joint Appropriations Committee (Sen. Bekkedahl, Co-Chairman) recommends **DO PASS** (16 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2395 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.

REPORT OF STANDING COMMITTEE

SB 2396: Joint Policy Committee (Sen. Klein, Co-Chairman) recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2396 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.

REPORT OF STANDING COMMITTEE

SB 2397: Joint Policy Committee (Sen. Klein, Co-Chairman) recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2397 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.

REPORT OF STANDING COMMITTEE

SB 2398: Joint Policy Committee (Sen. Klein, Co-Chairman) recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2398 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.

REPORT OF STANDING COMMITTEE

SCR 4021: Joint Policy Committee (Sen. Klein, Co-Chairman) recommends **DO PASS** (12 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). SCR 4021 was placed on the Eleventh order on the calendar. This resolution does not affect workforce development.

CONSIDERATION OF AMENDMENTS

SB 2393: SEN. BEKKEDAHL (Joint Appropriations Committee) MOVED that the amendments on SJ page 2381 be adopted and then be placed on the Eleventh order with **DO PASS**, which motion prevailed on a voice vote.

SECOND READING OF SENATE BILL

SB 2393: A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to create and enact a new subsection to section 54-44-11 of the North Dakota Century Code, relating to a facility management operating fund; to amend and reenact sections 54-06-14.7 and 54-21-19, subsection 2 of section 54-52-06.4, and subsection 4 of section 54-52-17 of the North Dakota Century Code, relating to the state leave sharing program, capitol grounds rent collections, and the law enforcement retirement program; to provide for a transfer; to provide an exemption;

to provide a report; to provide for a retroactive application; and to provide an effective date.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 46 YEAS, 1 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Axtman; Barta; Beard; Bekkedahl; Boehm; Braunberger; Burckhard; Cleary; Clemens; Conley; Davison; Dever; Dwyer; Elkin; Erbele; Estenson; Gerhardt; Hogan; Hogue; Kannianen; Kessel; Klein; Krebsbach; Kreun; Larson; Lee; Lemm; Luick; Mathern; Meyer; Myrdal; Patten; Paulson; Piepkorn; Roers, J.; Roers, K.; Rummel; Rust; Schaible; Sickler; Sorvaag; Vedaa; Wanzek; Weber; Weston; Wobbema

NAYS: Magrum

Engrossed SB 2393 passed.

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CONSIDERATION OF AMENDMENTS

SB 2394: SEN. ERBELE (Joint Appropriations Committee) MOVED that the amendments on SJ pages 2381-2382 be adopted and then be placed on the Eleventh order with **DO PASS**, which motion prevailed on a voice vote.

SECOND READING OF SENATE BILL

SB 2394: A BILL for an Act to provide an appropriation to the office of the governor for salaries and wages; to provide an appropriation to the adjutant general for 2021-23 snow removal grants; to provide for retroactive application; and to provide an effective date.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Axtman; Barta; Beard; Bekkedahl; Boehm; Braunberger; Burckhard; Cleary; Clemens; Conley; Davison; Dever; Dwyer; Elkin; Erbele; Estenson; Gerhardt; Hogan; Hogue; Kannianen; Kessel; Klein; Krebsbach; Kreun; Larson; Lee; Lemm; Luick; Magrum; Mathern; Meyer; Myrdal; Patten; Paulson; Piepkorn; Roers, J.; Roers, K.; Rummel; Rust; Schaible; Sickler; Sorvaag; Vedaa; Wanzek; Weber; Weston; Wobbema

Engrossed SB 2394 passed.

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SECOND READING OF SENATE BILL

SB 2396: A BILL for an Act to amend and reenact subsection 2 of section 19-03.1-22.6 of the North Dakota Century Code, relating to a special penalty for death or injury through distribution of illegal drugs; to provide a penalty; and to provide an effective date.

ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Axtman; Barta; Beard; Bekkedahl; Boehm; Braunberger; Burckhard; Cleary; Clemens; Conley; Davison; Dever; Dwyer; Elkin; Erbele; Estenson; Gerhardt; Hogan; Hogue; Kannianen; Kessel; Klein; Krebsbach; Kreun; Larson; Lee; Lemm; Luick; Magrum; Mathern; Meyer; Myrdal; Patten; Paulson; Piepkorn; Roers, J.; Roers, K.; Rummel; Rust; Schaible; Sickler; Sorvaag; Vedaa; Wanzek; Weber; Weston; Wobbema

SB 2396 passed.

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SECOND READING OF SENATE BILL

SB 2397: A BILL for an Act to amend and reenact subsection 8 of section 61-16.1-11 of the North Dakota Century Code, relating to joint water resource boards; to repeal section 5 of Senate Bill No. 2020, as approved by the sixty-eighth legislative assembly, relating to a transfer of Bank of North Dakota profits to the water infrastructure revolving loan fund; to provide for a transfer; to provide for retroactive application; and to provide an effective date.

ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Axtman; Barta; Beard; Bekkedahl; Boehm; Braunberger; Burckhard; Cleary; Clemens; Conley; Davison; Dever; Dwyer; Elkin; Erbele; Estenson; Gerhardt; Hogan; Hogue; Kannianen; Kessel; Klein; Krebsbach; Kreun; Larson; Lee; Lemm; Luick; Magrum; Mathern; Meyer; Myrdal; Patten; Paulson; Piepkorn; Roers, J.; Roers, K.; Rummel; Rust; Schaible; Sickler; Sorvaag; Vedaa; Wanzek; Weber; Weston; Wobbema

SB 2397 passed.

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SECOND READING OF SENATE BILL

SB 2398: A BILL for an Act to amend and reenact sections 15.1-27-04.1, 15.1-36-02, and 15.1-36-04 of the North Dakota Century Code, relating to baseline funding and the determination of state school aid, loans from the coal development trust fund, and evidences of indebtedness; to provide an appropriation; to provide for retroactive application; and to provide an effective date.

ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Axtman; Barta; Beard; Bekkedahl; Boehm; Braunberger; Burckhard; Cleary; Clemens; Conley; Davison; Dever; Dwyer; Elkin; Erbele; Estenson; Gerhardt; Hogan; Hogue; Kannianen; Kessel; Klein; Krebsbach; Kreun; Larson; Lee; Lemm; Luick; Magrum; Mathern; Meyer; Myrdal; Patten; Paulson; Piepkorn; Roers, J.; Roers, K.; Rummel; Rust; Schaible; Sickler; Sorvaag; Vedaa; Wanzek; Weber; Weston; Wobbema

SB 2398 passed.

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SECOND READING OF SENATE CONCURRENT RESOLUTION

SCR 4021: A concurrent resolution affirming support and unwavering commitment to the welfare, security, and survival of the State of Israel.

The question being on the final adoption of the resolution, which has been read, and has committee recommendation of DO PASS.

SCR 4021 was declared adopted on a voice vote.

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SECOND READING OF SENATE BILL

SB 2395: A BILL for an Act to provide an appropriation to the department of environmental quality and the department of labor and human rights for administrative expenses for

boards and committees; to provide for retroactive application; and to provide an effective date.

ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Axtman; Barta; Beard; Bekkedahl; Boehm; Braunberger; Burckhard; Cleary; Clemens; Conley; Davison; Dever; Dwyer; Elkin; Erbele; Estenson; Gerhardt; Hogan; Hogue; Kannianen; Kessel; Klein; Krebsbach; Kreun; Larson; Lee; Lemm; Luick; Magrum; Mathern; Meyer; Myrdal; Patten; Paulson; Piepkorn; Roers, J.; Roers, K.; Rummel; Rust; Schaible; Sickler; Sorvaag; Vedaa; Wanzek; Weber; Weston; Wobbema

SB 2395 passed.

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MOTION

SEN. KLEIN MOVED that the Senate stand in recess until 1:00 p.m., which motion prevailed.

THE SENATE RECONVENED pursuant to recess taken, with President Miller presiding.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The Senate has passed, and your favorable consideration is requested on: SB 2393, SB 2394.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The Senate has passed, and your favorable consideration is requested on: SB 2395, SB 2396, SB 2397, SB 2398.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The Senate has passed, and your favorable consideration is requested on: SCR 4021.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

MADAM PRESIDENT: The House has passed, and your favorable consideration is requested on: HB 1541, HB 1543.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

MADAM PRESIDENT: The House has passed, and your favorable consideration is requested on: HB 1542, HB 1545.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

MADAM PRESIDENT: The House has passed, and your favorable consideration is requested on: HB 1544, HB 1546, HB 1549.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

MADAM PRESIDENT: The House has passed, and your favorable consideration is requested on: HB 1547, HB 1548.

MOTION

SEN. KLEIN MOVED that the Senate be on the Fourth, Fifth, Ninth, Thirteenth, and Fifteenth orders of business and at the conclusion of those orders, the Senate stand adjourned until 8:30 a.m., Wednesday, October 25, 2023, which motion prevailed.

FIRST READING OF HOUSE BILLS

HB 1541: A BILL for an Act to provide an appropriation to the legislative assembly for the payment of dues and costs related to a special legislative session and the legislative council for the payment of fees, employer retirement contributions, and legislative council salaries and wages; to amend and reenact section 24-02-37.3 of the North Dakota Century Code, as amended by section 10 of House Bill No. 1012, as approved by the sixty-eighth legislative assembly, relating to budget section approval

limits for the flexible transportation fund; to provide for a legislative management study; to provide for a legislative management report; to provide for retroactive application; and to provide an effective date.

Was read the first time and referred to the **Joint Appropriations Committee**.

HB 1542: A BILL for an Act to provide an appropriation to the judicial branch for employer retirement contribution funding; to provide for retroactive application; and to provide an effective date.

Was read the first time and referred to the **Joint Appropriations Committee**.

HB 1543: A BILL for an Act to provide an appropriation to the department of health and human services, department of career and technical education, and Bismarck state college for facility-related projects; to authorize the issuance of revenue bonds for a Bismarck state college facility project; to provide for a legislative management report; to provide for retroactive application; and to provide an effective date.

Was read the first time and referred to the **Joint Appropriations Committee**.

HB 1544: A BILL for an Act to provide an appropriation to the department of commerce for workforce development grants and to defray the expenses of the office of legal immigration; to create and enact subsection 6 of section 10-30.5-02 of the North Dakota Century Code, relating to use of the North Dakota development fund; to provide for a legislative management report; to provide for retroactive application; and to provide an effective date.

Was read the first time and referred to the **Joint Appropriations Committee**.

HB 1545: A BILL for an Act to provide an exemption relating to refinancing loans from the infrastructure revolving loan fund; to provide for retroactive application; and to provide an effective date.

Was read the first time and referred to the **Joint Policy Committee**.

HB 1546: A BILL for an Act to amend and reenact section 54-63.1-04 of the North Dakota Century Code, relating to the clean sustainable energy authority's fertilizer development incentive program; to provide for retroactive application; and to provide an effective date.

Was read the first time and referred to the **Joint Policy Committee**.

HB 1547: A BILL for an Act to amend and reenact section 54-52-03 of the North Dakota Century Code, relating to the membership of the public employees retirement system board; to provide for duties of the public employees retirement system and public employees retirement system board; to provide for a transition; to provide an exemption; to provide for retroactive application; and to provide an effective date.

Was read the first time and referred to the **Joint Policy Committee**.

HB 1548: A BILL for an Act to amend and reenact sections 15-39.1-10.3, 54-52-01, 54-52-02.5, 54-52-02.9, 54-52-02.11, 54-52-02.12, 54-52-02.15, 54-52-05, 54-52-14.3, 54-52-17.2, 54-52.2-09, 54-52.6-01, 54-52.6-02, 54-52.6-02.1, 54-52.6-02.2, 54-52.6-03, 54-52.6-05, 54-52.6-05.1, 54-52.6-08, 54-52.6-09, 54-52.6-09.6, 54-52.6-10, 54-52.6-13, 54-52.6-15, 54-52.6-19, 54-52.6-22, and 54-52.6-23 of the North Dakota Century Code, relating to the public employees retirement system retirement plans; to provide an exemption; to provide a contingent effective date; and to provide an effective date.

Was read the first time and referred to the **Joint Policy Committee**.

HB 1549: A BILL for an Act to amend and reenact subsection 1 of section 57-38-30.3 of the North Dakota Century Code, relating to income tax relief; and to provide an effective date.

Was read the first time and referred to the **Joint Appropriations Committee**.

REPORT OF STANDING COMMITTEE

HB 1541: Joint Appropriations Committee (Sen. Bekkedahl, Co-Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (16 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1541 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

Page 1, line 1, after "dues" insert "and costs related to a special legislative session"

Page 1, line 2, replace the second "and" with a comma

Page 1, line 2, after "contributions" insert ", and legislative council salaries and wages"

Page 1, after line 13, insert:

"**SECTION 2. APPROPRIATION - LEGISLATIVE ASSEMBLY - ONE-TIME FUNDING.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $425,000, or so much of the sum as may be necessary, to the Legislative Assembly for costs related to the 2023 special legislative session, for the period beginning with the effective date of this Act and ending June 30, 2025. The funding provided in this section is considered a one-time funding item."

Page 2, after line 10, insert:

"**SECTION 5. APPROPRIATION - LEGISLATIVE COUNCIL.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $255,000, or so much of the sum as may be necessary, to the legislative council for salaries and wages, for the period beginning with the effective date of this Act and ending June 30, 2025."

Page 5, line 13, replace "the remainder of this Act applies" with "sections 3, 4, and 6 through 10 of this Act apply"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides a $425,000 appropriation from the general fund to the Legislative Assembly for costs related to the 2023 special legislative session and a $255,000 appropriation from the general fund to the Legislative Council for employees' salaries and wages.

REPORT OF STANDING COMMITTEE

HB 1542: Joint Appropriations Committee (Sen. Bekkedahl, Co-Chairman) recommends **DO PASS** (14 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). HB 1542 was placed on the Fourteenth order on the calendar. This bill does not affect workforce development.

REPORT OF STANDING COMMITTEE

HB 1543: Joint Appropriations Committee (Sen. Bekkedahl, Co-Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (16 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1543 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

Page 1, line 2, replace the first "and" with a comma

Page 1, line 2, after "education" insert ", and Bismarck state college"

Page 1, line 2, replace "grants" with "projects"

Page 1, line 2, after the semicolon insert "to authorize the issuance of revenue bonds for a Bismarck state college facility project;

Page 1, line 14, after "grant" insert "or other services as provided in this subsection"

Page 1, line 15, replace "provide the grant" with "use the funds"

Page 1, line 21, after the period insert "The amount repaid must be prorated based on the amount of time the program remains in operation."

Page 1, line 24, after "d." insert "If by June 1, 2024, the department does not have a grant recipient secured to establish a behavioral health facility in the badlands human service center service region, $6,400,000 of the

funds appropriated in this subsection may be used to expand community-based services by transitioning the badlands and northwest human service centers into certified community behavioral health clinics. This funding may be used to expand services provided directly by the department or through contractual relationships with behavioral health providers or organizations.

e."

Page 2, after line 14, insert:

"**SECTION 2. APPROPRIATION - BISMARCK STATE COLLEGE - MULTIPURPOSE ACADEMIC AND ATHLETIC CENTER CAPITAL FACILITY PROJECT - ONE-TIME FUNDING.** There is appropriated from special funds derived from bond proceeds, gifts, grants, donations, and other funds, not otherwise appropriated, the sum of $8,500,000, or so much of the sum as may be necessary, to Bismarck state college for the purpose of the multipurpose academic and athletic center capital facility project, for the period beginning with the effective date of this Act and ending June 30, 2025. The amount appropriated in this section is in addition to $31,500,000 appropriated from other funds in House Bill No. 1003, as approved by the sixty-eighth legislative assembly, to Bismarck state college for the multipurpose academic and athletic center. This appropriation is considered a one-time funding item.

SECTION 3. BOND ISSUANCE AUTHORIZATION - PURPOSE. The state board of higher education, in accordance with chapter 15-55, may arrange for the funding of projects authorized in this section, declared to be in the public interest, through the issuance of self-liquidating, tax-exempt evidences of indebtedness under chapter 15-55, beginning with the effective date of this Act and ending June 30, 2025. Evidences of indebtedness issued pursuant to this section are not a general obligation of the state of North Dakota. Any unexpended balance resulting from the proceeds of the evidences of indebtedness must be placed in a sinking fund to be used for the retirement of indebtedness. The evidences of indebtedness may be issued to generate up to $40,000,000, the proceeds of which are appropriated in section 2 of this Act and section 1 of House Bill No. 1003, as approved by the sixty-eighth legislative assembly, for the Bismarck state college multipurpose academic and athletic center."

Page 2, line 15, replace "This" with "Section 1 of this"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment:

- Adjusts the provisions relating to a Department of Health and Human Services behavioral health facility grant to;

  Provide for a prorated repayment of the grant by the recipient if it does not operate the facility for at least 10 years; and

  Allow the department to transition the badlands and northwest human service centers to certified community behavioral health clinics if a grant recipient is not secured by June 1, 2024.

- Appropriates $8.5 million from special funds to Bismarck State College for a multipurpose academic and athletic center facility project; and allows the State Board of Higher Education to issue $40 million of revenue bonds for the project.

REPORT OF STANDING COMMITTEE

HB 1544: Joint Appropriations Committee (Sen. Bekkedahl, Co-Chairman) recommends **DO PASS** (16 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1544 was placed on the Fourteenth order on the calendar. This bill does not affect workforce development.

REPORT OF STANDING COMMITTEE

HB 1545: Joint Policy Committee (Sen. Klein, Co-Chairman) recommends **DO PASS** (10 YEAS, 4 NAYS, 0 ABSENT AND NOT VOTING). HB 1545 was placed on the Fourteenth order on the calendar. This bill does not affect workforce development.

REPORT OF STANDING COMMITTEE

HB 1546: Joint Policy Committee (Sen. Klein, Co-Chairman) recommends **DO PASS** (13 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). HB 1546 was placed on the Fourteenth order on the calendar. This bill affects workforce development.

REPORT OF STANDING COMMITTEE

HB 1547: Joint Policy Committee (Sen. Klein, Co-Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **BE PLACED ON THE CALENDAR WITHOUT RECOMMENDATION** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1547 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

Page 1, line 4, after "board" insert "; to provide for a transition"

Page 2, line 7, after the underscored period insert "The members appointed under this subsection serve at the pleasure of the appointing majority leader."

Page 2, line 12, after "one" insert "of the"

Page 2, line 12, overstrike "member"

Page 2, line 12, after "~~is~~" insert "members"

Page 2, line 12, after "board" insert ". The members appointed under this subsection serve at the pleasure of the governor"

Page 3, line 7, replace "six" with "eight"

Page 3, after line 18, insert:

"**SECTION 4. PUBLIC EMPLOYEES RETIREMENT SYSTEM BOARD - TRANSITION.** Upon the effective date of this Act, the terms of all appointed members of the public employees retirement system board end, and within fourteen days following the effective date of this Act, all appointing officers shall appoint individuals to serve on the board."

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1548: Joint Policy Committee (Sen. Klein, Co-Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). HB 1548 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

Page 1, line 1, after "sections" insert "15-39.1-10.3, 54-52-01,"

Page 1, line 2, after the second comma insert "54-52-05, 54-52-14.3, 54-52-17.2,"

Page 1, line 3, after "54-52.6-03" insert ", 54-52.6-05, 54-52.6-05.1, 54-52.6-08"

Page 1, line 3, remove "and"

Page 1, line 3, after "54-52.6-09" insert ", 54-52.6-09.6, 54-52.6-10, 54-52.6-13, 54-52.6-15, 54-52.6-19, 54-52.6-22, and 54-52.6-23"

Page 1, after line 6, insert:

"**SECTION 1. AMENDMENT.** Section 15-39.1-10.3 of the North Dakota Century Code is amended and reenacted as follows:

15-39.1-10.3. Multiple plan membership - Eligibility for benefits - Amount of benefits. (Effective through ~~December 31, 2024~~the day before the effective date of this Act)

1. a. For the purpose of determining vesting of rights and eligibility for benefits under this chapter, a teacher's years of service credit is the total of the years of service credit earned in the fund and the years, with twelve months of compensation equal to a year, of service employment earned in any number of the following alternate plans:

   (1) The public employees retirement system.

   (2) The highway patrol troopers' retirement system.

   Service credit may not exceed one year of service in any fiscal year in determining vesting and benefit eligibility.

   b. If a teacher terminates eligible employment under the fund, if that teacher has not received a refund of member contributions, and if that teacher begins eligible employment in a plan described in paragraph 1 or 2 of subdivision a, that teacher may elect to remain an inactive member of the fund without refund of contributions. The board shall terminate the inactive status of a teacher under this subdivision if the teacher gains eligible employment under this chapter or if the teacher terminates eligible employment under a plan described in paragraph 1 or 2 of subdivision a.

   c. Pursuant to rules adopted by the board, a teacher who has service credit in the fund and in any number of the alternate plans described in paragraphs 1 and 2 of subdivision a is entitled to benefits under this chapter.

      (1) A tier one member may elect to have benefits calculated using the benefit formula in subsection 2 of section 15-39.1-10 under either of the following calculation methods:

         (a) Using the three highest certified fiscal year salaries of this plan in the computation of final average salary and all service credit earned in this plan; or

         (b) Using the three highest certified fiscal year salaries of this plan combined with the alternate plan in the computation of final average salary and service credit not to exceed one year in any fiscal year when combined with the service credit earned in the alternate retirement plan.

      (2) A tier two member may elect to have benefits calculated using the benefit formula in subsection 2 of section 15-39.1-10 under either of the following calculation methods:

         (a) Using the five highest certified fiscal year salaries of this plan in the computation of final average salary and all service credit earned in this plan; or

         (b) Using the five highest certified fiscal year salaries of this plan combined with the alternate plan in the computation of final average salary and service credit not to exceed one year in any fiscal year when combined with the service credit earned in the alternate retirement plan.

2. a. If a teacher, who is eligible to participate in this fund, is also eligible to participate in an alternate retirement system, the employee is a member of the teachers' fund for retirement for duties covered under this fund, and the employee is also a member of the public employees retirement system or highway patrolmen's retirement

system for duties covered by those alternate retirement systems. The employers shall pay the member and employer contributions at the rates currently existing for the applicable system.

b. If a teacher described in subdivision a was employed prior to August 1, 2003, and has dual member rights, the teacher may elect to begin participation in the alternate plan pursuant to the plan provisions on August 1, 2003, or may continue participation pursuant to the plan provisions in effect on July 31, 2003. A plan participation election is required by five p.m. on October 31, 2003. If an election is not received by the retirement plan, the participation and benefit calculation requirements of this chapter as of July 31, 2003, continue to be in effect for the teacher.

3. Under rules adopted by the board, an individual whose service credit was canceled when that individual received a refund of assessments at termination of employment under this chapter may, while that individual participates in a plan described in paragraph 1 or 2 of subdivision a of subsection 1, repurchase that service credit that was canceled.

Multiple plan membership - Eligibility for benefits - Amount of benefits. (Effective ~~after December 31, 2024~~on the effective date of this Act)

1. a. For the purpose of determining vesting of rights and eligibility for benefits under this chapter, a teacher's years of service credit is the total of the years of service credit earned in the fund and the years, with twelve months of compensation equal to a year, of service employment earned in any number of the following alternate plans:

(1) The public employees retirement system, except an "eligible employee" as that term is defined under section 54-52-02.15.

(2) The highway patrol troopers' retirement system.

Service credit may not exceed one year of service in any fiscal year in determining vesting and benefit eligibility.

b. If a teacher terminates eligible employment under the fund, if that teacher has not received a refund of member contributions, and if that teacher begins eligible employment in a plan described in paragraph 1 or 2 of subdivision a, that teacher may elect to remain an inactive member of the fund without refund of contributions. The board shall terminate the inactive status of a teacher under this subdivision if the teacher gains eligible employment under this chapter or if the teacher terminates eligible employment under a plan described in paragraph 1 or 2 of subdivision a.

c. Pursuant to rules adopted by the board, a teacher who has service credit in the fund and in any number of the alternate plans described in paragraphs 1 and 2 of subdivision a is entitled to benefits under this chapter.

(1) A tier one member may elect to have benefits calculated using the benefit formula in subsection 2 of section 15-39.1-10 under either of the following calculation methods:

(a) Using the three highest certified fiscal year salaries of this plan in the computation of final average salary and all service credit earned in this plan; or

(b) Using the three highest certified fiscal year salaries of this plan combined with the alternate plan in the computation of final average salary and service credit not to exceed one year in any fiscal year when combined with the service credit earned in the alternate retirement plan.

(2) A tier two member may elect to have benefits calculated using the benefit formula in subsection 2 of section 15-39.1-10 under either of the following calculation methods:

(a) Using the five highest certified fiscal year salaries of this plan in the computation of final average salary and all service credit earned in this plan; or

(b) Using the five highest certified fiscal year salaries of this plan combined with the alternate plan in the computation of final average salary and service credit not to exceed one year in any fiscal year when combined with the service credit earned in the alternate retirement plan.

2. a. If a teacher, who is eligible to participate in this fund, is also eligible to participate in an alternate retirement system, the employee is a member of the teachers' fund for retirement for duties covered under this fund, and the employee is also a member of the public employees retirement system or highway patrolmen's retirement system for duties covered by those alternate retirement systems. The employers shall pay the member and employer contributions at the rates currently existing for the applicable system.

b. If a teacher described in subdivision a was employed prior to August 1, 2003, and has dual member rights, the teacher may elect to begin participation in the alternate plan pursuant to the plan provisions on August 1, 2003, or may continue participation pursuant to the plan provisions in effect on July 31, 2003. A plan participation election is required by five p.m. on October 31, 2003. If an election is not received by the retirement plan, the participation and benefit calculation requirements of this chapter as of July 31, 2003, continue to be in effect for the teacher.

3. Under rules adopted by the board, an individual whose service credit was canceled when that individual received a refund of assessments at termination of employment under this chapter may, while that individual participates in a plan described in paragraph 1 or 2 of subdivision a of subsection 1, repurchase that service credit that was canceled.

SECTION 2. AMENDMENT. Section 54-52-01 of the North Dakota Century Code is amended and reenacted as follows:

54-52-01. Definition of terms. (Effective through ~~December 31, 2024~~the day before the effective date of this Act)

As used in this chapter, unless the context otherwise requires:

1. "Account balance" means the total contributions made by the employee, vested employer contributions under section 54-52-11.1, the vested portion of the vesting fund as of June 30, 1977, and interest credited thereon at the rate established by the board.

2. "Beneficiary" means any person in receipt of a benefit provided by this plan or any person designated by a participating member to receive benefits.

3. "Correctional officer" means a participating member who is employed as a correctional officer by a political subdivision.

4. "Eligible employee" means all permanent employees who meet all of the eligibility requirements set by this chapter and who are eighteen years or more of age, and includes appointive and elective officials under sections 54-52-02.5, 54-52-02.11, and 54-52-02.12, and nonteaching employees of the superintendent of public instruction, including the superintendent of public instruction, who elect to transfer from the teachers' fund for

retirement to the public employees retirement system under section 54-52-02.13, and employees of the state board for career and technical education who elect to transfer from the teachers' fund for retirement to the public employees retirement system under section 54-52-02.14. Eligible employee does not include nonclassified state employees who elect to become members of the retirement plan established under chapter 54-52.6 but does include employees of the judicial branch and employees of the board of higher education and state institutions under the jurisdiction of the board.

5. "Employee" means any individual employed by a governmental unit, whose compensation is paid out of the governmental unit's funds, or funds controlled or administered by a governmental unit, or paid by the federal government through any of its executive or administrative officials; licensed employees of a school district means those employees eligible to participate in the teachers' fund for retirement who, except under subsection 2 of section 54-52-17.2, are not eligible employees under this chapter.

6. "Employer" means a governmental unit.

7. "Firefighter" means a participating member who is employed as a firefighter by a political subdivision and, notwithstanding subsection 13, for an individual employed after July 31, 2017, is employed at least thirty-two hours per week and at least twenty weeks each year of employment. A firefighter who is a participating member of the law enforcement retirement plan created by this chapter who begins employment after July 31, 2017, is ineligible to participate concurrently in any other retirement plan administered by the public employees retirement system. The term does not include a firefighter employee of the North Dakota national guard.

8. "Funding agent" or "agents" means an investment firm, trust bank, or other financial institution which the retirement board may select to hold and invest the employers' and members' contributions.

9. "Governmental unit" means the state of North Dakota, except the highway patrol for members of the retirement plan created under chapter 39-03.1, or a participating political subdivision thereof.

10. "National guard security officer or firefighter" means a participating member who is:

    a. A security police employee of the North Dakota national guard; or

    b. A firefighter employee of the North Dakota national guard.

11. "Participating member" means an eligible employee who through payment into the plan has established a claim against the plan.

12. "Peace officer" means a participating member who is a peace officer as defined in section 12-63-01 and is employed as a peace officer by the state, except by the highway patrol for members of the retirement plan created under chapter 39-03.1, or is employed by a political subdivision and, notwithstanding subsection 13, for persons employed after August 1, 2005, is employed thirty-two hours or more per week and at least twenty weeks each year of employment. A peace officer who is a participating member of the law enforcement retirement plan created by this chapter who begins employment after August 1, 2005, is ineligible to participate concurrently in any other retirement plan administered by the public employees retirement system.

13. "Permanent employee" means a governmental unit employee whose services are not limited in duration and who is filling an approved and regularly funded position in an eligible governmental unit, and is

employed twenty hours or more per week and at least twenty weeks each year of employment.

14. "Prior service" means service or employment before July 1, 1966.

15. "Prior service credit" means such credit toward a retirement benefit as the retirement board may determine under the provisions of this chapter.

16. "Public employees retirement system" means the retirement plan and program established by this chapter.

17. "Retirement" means the acceptance of a retirement allowance under this chapter upon either termination of employment or termination of participation in the retirement plan.

18. "Retirement board" or "board" means the governing authority created under section 54-52-03.

19. "Seasonal employee" means a participating member who does not work twelve months a year.

20. "Service" means employment on or after July 1, 1966.

21. "Service benefit" means the credit toward retirement benefits as determined by the retirement board under the provisions of this chapter.

22. "Temporary employee" means a governmental unit employee who is not eligible to participate as a permanent employee, who is at least eighteen years old and not actively contributing to another employer-sponsored pension fund, and, if employed by a school district, occupies a noncertified teacher's position.

23. "Wages" and "salaries" means the member's earnings in eligible employment under this chapter reported as salary on the member's federal income tax withholding statements plus any salary reduction or salary deferral amounts under 26 U.S.C. 125, 401(k), 403(b), 414(h), or 457. "Salary" does not include fringe benefits such as payments for unused sick leave, personal leave, vacation leave paid in a lump sum, overtime, housing allowances, transportation expenses, early retirement incentive pay, severance pay, medical insurance, workforce safety and insurance benefits, disability insurance premiums or benefits, or salary received by a member in lieu of previously employer-provided fringe benefits under an agreement between the member and participating employer. Bonuses may be considered as salary under this section if reported and annualized pursuant to rules adopted by the board.

Definition of terms. (Effective ~~after December 31, 2024~~on the effective date of this Act) As used in this chapter, unless the context otherwise requires:

1. "Account balance" means the total contributions made by the employee, vested employer contributions under section 54-52-11.1, the vested portion of the vesting fund as of June 30, 1977, and interest credited thereon at the rate established by the board.

2. "Beneficiary" means any person in receipt of a benefit provided by this plan or any person designated by a participating member to receive benefits.

3. "Correctional officer" means a participating member who is employed as a correctional officer by a political subdivision.

4. "Deferred member" means a participating member who is not actively participating in the main plan under this chapter and who has an account intact in the main plan under this chapter.

5. "Eligible employee", except as otherwise provided under section 54-52-02.15, means a permanent employee who meets all of the eligibility requirements set by this chapter and who is eighteen years or more of age. The term includes appointive and elective officials under sections 54-52-02.5, 54-52-02.11, and 54-52-02.12, and nonteaching employees of the superintendent of public instruction, including the superintendent of public instruction, who elect to transfer from the teachers' fund for retirement to the public employees retirement system under section 54-52-02.13, and employees of the state board for career and technical education who elect to transfer from the teachers' fund for retirement to the public employees retirement system under section 54-52-02.14. The term does not include nonclassified state employees who elected under section 54-52.6-02 to become members of the retirement plan established under chapter 54-52.6. The term does include employees of the judicial branch and employees of the board of higher education and state institutions under the jurisdiction of the board of higher education.

6. "Employee" means any individual employed by a governmental unit, whose compensation is paid out of the governmental unit's funds, or funds controlled or administered by a governmental unit, or paid by the federal government through any of its executive or administrative officials; licensed employees of a school district means those employees eligible to participate in the teachers' fund for retirement who, except under subsection 2 of section 54-52-17.2, are not eligible employees under this chapter.

7. "Employer" means a governmental unit.

8. "Firefighter" means a participating member who is employed as a firefighter by a political subdivision and, notwithstanding subsection 13, for an individual employed after July 31, 2017, is employed at least thirty-two hours per week and at least twenty weeks each year of employment. A firefighter who is a participating member of the law enforcement retirement plan created by this chapter who begins employment after July 31, 2017, is ineligible to participate concurrently in any other retirement plan administered by the public employees retirement system. The term does not include a firefighter employee of the North Dakota national guard.

9. "Funding agent" or "agents" means an investment firm, trust bank, or other financial institution which the retirement board may select to hold and invest the employers' and members' contributions.

10. "Governmental unit" means the state of North Dakota, except the highway patrol for members of the retirement plan created under chapter 39-03.1, or a participating political subdivision of the state.

11. "National guard security officer or firefighter" means a participating member who is:

    a. A security police employee of the North Dakota national guard; or

    b. A firefighter employee of the North Dakota national guard.

12. "Participating member" means an eligible employee who through payment into the plan has established a claim against the plan.

13. "Peace officer" means a participating member who is a peace officer as defined in section 12-63-01 and is employed as a peace officer by the state, except by the highway patrol for members of the retirement plan created under chapter 39-03.1, or is employed by a political subdivision and, notwithstanding subsection 14, for persons employed after August 1, 2005, is employed thirty-two hours or more per week and at least twenty weeks each year of employment. A peace officer who is a

participating member of the law enforcement retirement plan created by this chapter who begins employment after August 1, 2005, is ineligible to participate concurrently in any other retirement plan administered by the public employees retirement system.

14. "Permanent employee" means an employee whose services are not limited in duration and who is filling an approved and regularly funded position in an eligible governmental unit, and is employed twenty hours or more per week and at least twenty weeks each year of employment.

15. "Prior service" means service or employment before July 1, 1966.

16. "Prior service credit" means such credit toward a retirement benefit as the retirement board may determine under the provisions of this chapter.

17. "Public employees retirement system" means the retirement plan and program established by this chapter.

18. "Retirement" means the acceptance of a retirement allowance under this chapter upon either termination of employment or termination of participation in the retirement plan.

19. "Retirement board" or "board" means the governing authority created under section 54-52-03.

20. "Seasonal employee" means a participating member who does not work twelve months a year.

21. "Service" means employment on or after July 1, 1966.

22. "Service benefit" means the credit toward retirement benefits as determined by the retirement board under the provisions of this chapter.

23. "Temporary employee" means an employee who is not eligible to participate as a permanent employee, who is at least eighteen years old and not actively contributing to another employer-sponsored pension fund, and, if employed by a school district, occupies a noncertified teacher's position.

24. "Wages" and "salaries" means the member's earnings in eligible employment under this chapter reported as salary on the member's federal income tax withholding statements plus any salary reduction or salary deferral amounts under 26 U.S.C. 125, 401(k), 403(b), 414(h), or 457. "Salary" does not include fringe benefits such as payments for unused sick leave, personal leave, vacation leave paid in a lump sum, overtime, housing allowances, transportation expenses, early retirement incentive pay, severance pay, medical insurance, workforce safety and insurance benefits, disability insurance premiums or benefits, or salary received by a member in lieu of previously employer-provided fringe benefits under an agreement between the member and participating employer. Bonuses may be considered as salary under this section if reported and annualized pursuant to rules adopted by the board."

Page 1, line 10, overstrike "**December 31,**"

Page 1, line 10, replace "**2023**" with "**the day before the effective date of this Act**"

Page 1, line 18, overstrike "**after December 31,**"

Page 1, line 18, replace "**2023**" with "**on the effective date of this Act**"

Page 1, line 19, overstrike "January 1,"

Page 1, line 19, replace "2024" with "the effective date of this Act"

Page 2, line 1, overstrike "December 31,"

Page 2, line 1, replace "2023" with "the day before the effective date of this Act"

Page 2, line 12, overstrike "**December 31,**"

Page 2, line 13, replace "**2023**" with "**the day before the effective date of this Act**"

Page 3, line 7, overstrike "**after December 31,**"

Page 3, line 7, replace "**2023**" with "**on the effective date of this Act**"

Page 3, line 8, overstrike "January 1,"

Page 3, line 8, replace "2024" with "the effective date of this Act"

Page 3, line 15, remove the overstrike over "~~2025~~"

Page 3, line 15, remove "2024"

Page 3, line 25, overstrike "January 1,"

Page 3, line 25, replace "2024" with "the effective date of this Act"

Page 3, line 26, overstrike "December 31,"

Page 3, line 26, replace "2023" with "the day before the effective date of this Act"

Page 3, line 28, overstrike "December 31,"

Page 3, line 28, replace "2023" with "the day before the effective date of this Act"

Page 4, line 10, overstrike "**December 31,**"

Page 4, line 10, replace "**2023**" with "**the day before the effective date of this Act**"

Page 4, line 13, overstrike "**after**"

Page 4, line 14, overstrike "**December 31,**"

Page 4, line 14, replace "**2023**" with "**on the effective date of this Act**"

Page 4, line 15, overstrike "January 1,"

Page 4, line 15, replace "2024" with "the effective date of this Act"

Page 4, line 18, overstrike "December 31,"

Page 4, line 18, replace "2023" with "the day before the effective date of this Act"

Page 4, line 24, overstrike "**December 31,**"

Page 4, line 24, replace "**2023**" with "**the day before the effective date of this Act**"

Page 4, line 28, overstrike "**after**"

Page 4, line 29, overstrike "**December 31,**"

Page 4, line 29, replace "**2023**" with "**on the effective date of this Act**"

Page 4, line 31, overstrike "January 1,"

Page 4, line 31, replace "2024" with "the effective date of this Act"

Page 5, line 3, overstrike "December 31,"

Page 5, line 3, replace "2023" with "the day before the effective date of this Act"

Page 5, line 9, overstrike "**after December 31,**"

Page 5, line 9, replace "**2023**" with "**on the effective date of this Act**"

Page 5, line 13, overstrike "December 31,"

Page 5, line 13, replace "2023" with "the day before the effective date of this Act"

Page 5, line 17, overstrike "January 1,"

Page 5, line 17, replace "2024" with "on the effective date of this Act"

Page 5, line 20, overstrike "January 1,"

Page 5, line 20, replace "2024" with "the effective date of this Act"

Page 5, line 21, overstrike "December 31,"

Page 5, line 21, replace "2023" with "the day before the effective date of this Act"

Page 5, line 22, overstrike "January 1,"

Page 5, line 22, replace "2024" with "on the effective date of this Act"

Page 6, line 9, overstrike "January 1,"

Page 6, line 9, replace "2024" with "the effective date of this Act"

Page 6, after line 12, insert:

"**SECTION 8. AMENDMENT.** Section 54-52-05 of the North Dakota Century Code is amended and reenacted as follows:

54-52-05. Membership and assessments - Employer payment of employee contributions. (Effective through ~~December 31, 2024~~the day before the effective date of this Act)

1. Every eligible participating political subdivision employee, at the time the political subdivision joins the plan must so state in writing if the employee concurs in the plan and all future eligible employees of the participating political subdivision are participating members in the plan and must be enrolled in the plan within the first month of employment. Except as otherwise provided by law, every other eligible governmental unit employee of a participating governmental unit is a participating member in the plan and must be enrolled in the plan within the first month of employment. An employee who was not enrolled in the retirement system when eligible to participate must be enrolled immediately upon notice of the employee's eligibility, unless the employee waives in writing the employee's right to participate for the previous time of eligibility, to avoid contributing to the fund for past service. An employee who is eligible for normal retirement who accepts a retirement benefit under this chapter and who subsequently becomes employed with a participating employer other than the employer with which the employee was employed at the time the employee retired under this chapter may, before being re-enrolled in the retirement plan within the first month of employment, elect to permanently waive future participation in the retirement plan and the retiree health program and maintain that employee's retirement status. An employee making this election is not required to make any future employee contributions to the public employees retirement system nor is the employee's employer required to make any further contributions on behalf of that employee.

2. Each member must be assessed and required to pay monthly four percent of the monthly salary or wage paid to the member, and such assessment must be deducted and retained out of such salary in equal monthly installments commencing with the first month of employment. Member contributions increase by one percent of the monthly salary or wage paid to the member beginning with the monthly reporting period of January 2012, and with an additional increase of one percent, beginning with the monthly reporting period of January 2013, and with an additional increase of one percent, beginning with the monthly reporting period of January 2014.

3. Each employer, at its option, may pay all or a portion of the employee contributions required by subsection 2 and sections 54-52-06.1, 54-52-06.2, 54-52-06.3, and 54-52-06.4 or the employee contributions required to purchase service credit on a pretax basis pursuant to subsection 5 of section 54-52-17.4. Employees may not receive the contributed amounts directly once the employer has elected to pay the employee contributions. The amount paid must be paid by the employer in lieu of contributions by the employee. If the state determines not to pay the contributions, the amount that would have been paid must continue to be deducted from the employee's compensation. If contributions are paid by the employer, they must be treated as employer contributions in determining tax treatment under this code and the federal Internal Revenue Code. If contributions are paid by the employer, they may not be included as gross income of the employee in determining tax treatment under this code and the Internal Revenue Code until they are distributed or made available. The employer shall pay these employee contributions from the same source of funds used in paying compensation to the employee. The employer shall pay these contributions by effecting an equal cash reduction in the gross salary of the employee or by an offset against future salary increases or by a contribution of a reduction in gross salary and offset against future salary increases. If employee contributions are paid by the employer, they must be treated for the purposes of this chapter in the same manner and to the same extent as employee contributions made prior to the date on which employee contributions were assumed by the employer. An employer exercising its option under this subsection shall report its choice to the board in writing.

4. For compensation earned after August 1, 2009, all employee contributions required under section 54-52-06.1 and the job service North Dakota retirement plan, and not otherwise paid under subsection 3, must be paid by the employer in lieu of contributions by the member. All contributions paid by the employer under this subsection must be treated as employer contributions in determining tax treatment under this code and the Internal Revenue Code. Contributions paid by the employer under this subsection may not be included as gross income of the member in determining tax treatment under this code and the Internal Revenue Code until the contributions are distributed or made available. Contributions paid by the employer in accordance with this subsection must be treated for the purposes of this chapter in the same manner and to the same extent as member contributions made before the date the contributions were assumed by the employer. The employer shall pay these member contributions from the same source of funds used in paying compensation to the employee. The employer shall pay these contributions by effecting an equal cash reduction in the gross salary of the employee. The employer shall continue making payments under this section unless otherwise specifically provided for under the agency's biennial appropriation or by amendment to law.

Membership and assessments - Employer payment of employee contributions. (Effective ~~after December 31, 2024~~on the effective date of this Act)

1. Every eligible participating political subdivision employee, at the time the political subdivision joins the plan must so state in writing if the employee concurs in the plan and all future eligible employees of the participating political subdivision are participating members in the plan and must be enrolled in the plan within the first month of employment. Except as otherwise provided by law, every other eligible governmental unit employee of a participating governmental unit is a participating member in the plan and must be enrolled in the plan within the first month of employment. An employee who was not enrolled in the retirement system when eligible to participate must be enrolled immediately upon notice of the employee's eligibility, unless the employee waives in writing the employee's right to participate for the previous time of eligibility, to avoid contributing to the fund for past service. An employee who is eligible for normal retirement who accepts a retirement benefit under this chapter and who subsequently becomes employed with a participating employer other than the employer with which the employee was employed at the time the employee retired under this chapter may, before being re-enrolled in the retirement plan within the first month of employment, elect to permanently waive future participation in the retirement plan and the retiree health program and maintain that employee's retirement status. An employee making this election is not required to make any future employee contributions to the public employees retirement system nor is the employee's employer required to make any further contributions on behalf of that employee.

2. Each member must be assessed and required to pay monthly seven percent of the monthly salary or wage paid to the member, and such assessment must be deducted and retained out of such salary in equal monthly installments commencing with the first month of employment.

3. Each employer, at its option, may pay all or a portion of the employee contributions required by subsection 2 and sections 54-52-06.1, 54-52-06.2, 54-52-06.3, and 54-52-06.4 or the employee contributions required to purchase service credit on a pretax basis pursuant to subsection 5 of section 54-52-17.4. Employees may not receive the contributed amounts directly once the employer has elected to pay the employee contributions. The amount paid must be paid by the employer in lieu of contributions by the employee. If the state determines not to pay the contributions, the amount that would have been paid must continue to be deducted from the employee's compensation. If contributions are paid by the employer, they must be treated as employer contributions in determining tax treatment under this code and the federal Internal Revenue Code. If contributions are paid by the employer, they may not be included as gross income of the employee in determining tax treatment under this code and the Internal Revenue Code until they are distributed or made available. The employer shall pay these employee contributions from the same source of funds used in paying compensation to the employee. The employer shall pay these contributions by effecting an equal cash reduction in the gross salary of the employee or by an offset against future salary increases or by a contribution of a reduction in gross salary and offset against future salary increases. If employee contributions are paid by the employer, they must be treated for the purposes of this chapter in the same manner and to the same extent as employee contributions made prior to the date on which employee contributions were assumed by the employer. An employer exercising its option under this subsection shall report its choice to the board in writing.

4. For compensation earned after August 1, 2009, all employee contributions required under section 54-52-06.1 and the job service North Dakota retirement plan, and not otherwise paid under subsection 3, must

be paid by the employer in lieu of contributions by the member. All contributions paid by the employer under this subsection must be treated as employer contributions in determining tax treatment under this code and the Internal Revenue Code. Contributions paid by the employer under this subsection may not be included as gross income of the member in determining tax treatment under this code and the Internal Revenue Code until the contributions are distributed or made available. Contributions paid by the employer in accordance with this subsection must be treated for the purposes of this chapter in the same manner and to the same extent as member contributions made before the date the contributions were assumed by the employer. The employer shall pay these member contributions from the same source of funds used in paying compensation to the employee. The employer shall pay these contributions by effecting an equal cash reduction in the gross salary of the employee. The employer shall continue making payments under this section unless otherwise specifically provided for under the agency's biennial appropriation or by amendment to law.

SECTION 9. AMENDMENT. Section 54-52-14.3 of the North Dakota Century Code is amended and reenacted as follows:

54-52-14.3. Public employee retirement funds - Use and investment. (Effective through ~~December 31, 2024~~the day before the effective date of this Act)

Any provision of law relating to the use and investment of public employee retirement funds must be deemed a part of the employment contracts of the employees participating in any public employee retirement system. All moneys from any source paid into any public employee retirement system fund created by the laws of this state must be used and invested only for the exclusive benefit of the members, retirees, and beneficiaries of that system, including the payment of system administrative costs.

Public employee retirement funds - Use and investment. (Effective ~~after December 31, 2024~~on the effective date of this Act) Any provision of law relating to the use and investment of public employee retirement funds must be deemed a part of the employment contracts of the employees participating in any public employee retirement system. All moneys from any source paid into any public employee retirement system fund created by the laws of this state must be used and invested only for the exclusive benefit of the members, retirees, and beneficiaries of the retirement system, including the payment of system administrative costs.

SECTION 10. AMENDMENT. Section 54-52-17.2 of the North Dakota Century Code is amended and reenacted as follows:

54-52-17.2. Multiple plan membership - Eligibility for benefits - Amount of benefits. (Effective through ~~December 31, 2024~~the day before the effective date of this Act)

1. a. For the purpose of determining eligibility for benefits under this chapter, an employee's years of service credit is the total of the years of service credit earned in the public employees retirement system and the years of service credit earned in any number of the following:

   (1) The teachers' fund for retirement.

   (2) The highway patrol troopers' retirement system.

   (3) The teachers' insurance and annuity association of America - college retirement equities fund (TIAA-CREF), for service credit earned while employed by North Dakota institutions of higher education.

   Service credit may not exceed twelve months of credit per year.

b. Pursuant to rules adopted by the board, an employee who has service credit in the system and in any of the plans described in paragraphs 1 and 2 of subdivision a is entitled to benefits under this chapter. The benefits of a temporary employee employed after July 31, 2015, must be calculated using the benefit formula in section 54-52-17. A permanent employee or a temporary employee employed before August 1, 2015, may elect to have benefits calculated using the benefit formula in section 54-52-17 under either of the following methods:

(1) The final average salary as calculated in section 54-52-17. If the participating member has worked for less than thirty-six months at retirement, the final average salary is the average salary for the total months of employment.

(2) The final average salary as calculated in section 54-52-17 for employment with any of the three eligible employers under this subdivision, with service credit not to exceed one month in any month when combined with the service credit earned in the alternate retirement system.

The board shall calculate benefits for an employee under this subsection by using only those years of service credit earned under this chapter.

2. a. If an employee who is eligible to participate in the public employees retirement system is also employed in any position when membership in an alternate retirement system is required, then, for purposes of current participation, the employee is a member of each applicable retirement system. The employer shall pay over to each retirement system the member assessment and employer contributions at the rates currently existing for that retirement system.

b. If an employee described in subdivision a was employed prior to August 1, 2003, and has dual membership rights, the employee may elect to begin participation in the alternate plan pursuant to the plan provisions on August 1, 2003, or may continue participation according to the plan provisions in effect on July 31, 2003. An employee's election under this subdivision is ineffective unless delivered to the public employees retirement system administrative offices by five p.m. on October 31, 2003. If an election is not received by the public employees retirement system, the participation and benefit calculation requirements in effect on July 31, 2003, apply to that employee.

Multiple plan membership - Eligibility for benefits - Amount of benefits. (Effective ~~after December 31, 2024~~on the effective date of this Act)

1. a. For the purpose of determining eligibility for benefits under this chapter, an employee's years of service credit is the total of the years of service credit earned in the public employees retirement system and the years of service credit earned in any number of the following:

(1) The teachers' fund for retirement.

(2) The highway patrol troopers' retirement system.

(3) The teachers' insurance and annuity association of America - college retirement equities fund (TIAA-CREF), for service credit earned while employed by North Dakota institutions of higher education.

Service credit may not exceed twelve months of credit per year.

b. Subject to section 54-52-02.15 and pursuant to rules adopted by the board, an employee who has service credit in the system and in any of the plans described in paragraphs 1 and 2 of subdivision a is entitled to benefits under this chapter. The benefits of a temporary employee employed after July 31, 2015, must be calculated using the benefit formula in section 54-52-17. A permanent employee or a temporary employee employed before August 1, 2015, may elect to have benefits calculated using the benefit formula in section 54-52-17 under either of the following methods:

(1) The final average salary as calculated in section 54-52-17. If the participating member has worked for less than thirty-six months at retirement, the final average salary is the average salary for the total months of employment.

(2) The final average salary as calculated in section 54-52-17 for employment with any of the three eligible employers under this subdivision, with service credit not to exceed one month in any month when combined with the service credit earned in the alternate retirement system.

The board shall calculate benefits for an employee under this subsection by using only those years of service credit earned under this chapter.

2. a. If an employee who is eligible to participate in the public employees retirement system is also employed in any position when membership in an alternate retirement system is required, then, for purposes of current participation, the employee is a member of each applicable retirement system. The employer shall pay over to each retirement system the member assessment and employer contributions at the rates currently existing for that retirement system.

b. If an employee described in subdivision a was employed prior to August 1, 2003, and has dual membership rights, the employee may elect to begin participation in the alternate plan pursuant to the plan provisions on August 1, 2003, or may continue participation according to the plan provisions in effect on July 31, 2003. An employee's election under this subdivision is ineffective unless delivered to the public employees retirement system administrative offices by five p.m. on October 31, 2003. If an election is not received by the public employees retirement system, the participation and benefit calculation requirements in effect on July 31, 2003, apply to that employee."

Page 6, line 17, overstrike "December 31,"

Page 6, line 17, replace "2023" with "the day before the effective date of this Act"

Page 6, line 27, overstrike "**December 31,**"

Page 6, line 27, replace "**2023**" with "**the day before the effective date of this Act**"

Page 7, line 27, overstrike "**after December 31,**"

Page 7, line 27, replace "**2023**" with "**on the effective date of this Act**"

Page 8, line 2, overstrike "December 31,"

Page 8, line 2, replace "2023" with "the day before the effective date of this Act"

Page 8, line 4, overstrike "January 1,"

Page 8, line 4, replace "2024" with "the effective date of this Act"

Page 9, line 1, overstrike "**December 31,**"

Page 9, line 1, replace "**2023**" with "**the day before the effective date of this Act**"

Page 13, line 1, overstrike "**December 31,**"

Page 13, line 1, replace the first "**2023**" with "**the day before the effective date of this Act**"

Page 13, line 1, overstrike "**after December 31,**"

Page 13, line 1, replace the second "**2023**" with "**on the effective date of this Act**"

Page 13, line 22, overstrike "January 1,"

Page 13, line 22, replace "2024" with "the effective date of this Act"

Page 13, line 30, overstrike "January 1,"

Page 13, line 30, replace "2024" with "the effective date of this Act"

Page 16, line 25, overstrike "December 31,"

Page 16, line 25, replace "2023" with "the day before the effective date of this Act"

Page 17, line 1, overstrike "**after**"

Page 17, line 2, overstrike "**December 31,**"

Page 17, line 2, replace "**2023**" with "**on the effective date of this Act**"

Page 17, line 4, overstrike "January 1,"

Page 17, line 4, replace "2024" with "on the effective date of this Act"

Page 17, line 14, overstrike "**December 31,**"

Page 17, line 14, replace "**2023**" with "**the day before the effective date of this Act**"

Page 17, line 15, overstrike "**after December 31,**"

Page 17, line 15, replace "**2023**" with "**on the effective date of this Act**"

Page 17, line 17, overstrike "December 31,"

Page 17, line 17, replace "2023" with "the day before the effective date of this Act"

Page 17, line 21, overstrike "from January 1,"

Page 17, line 21, replace "2024" with "beginning on the effective date of this Act"

Page 17, line 22, overstrike "through March 31,"

Page 17, line 22, remove "2024"

Page 17, line 22, overstrike the second comma

Page 18, line 10, overstrike "January 1,"

Page 18, line 10, replace "2024" with "the effective date of this Act"

Page 18, line 20, overstrike the first "January"

Page 18, line 20, replace "2025" with "one year after the effective date of this Act"

Page 18, line 20, overstrike the second "January"

Page 18, line 20, replace "2027" with "three years following the effective date of this Act"

Page 18, line 28, overstrike "**December 31,**"

Page 18, line 29, replace "**2023**" with "**the day before the effective date of this Act**"

Page 19, line 19, overstrike "**after December 31,**"

Page 19, line 19, replace "**2023**" with "**on the effective date of this Act**"

Page 20, line 10, overstrike "January 1,"

Page 20, line 10, replace "2024" with "the effective date of this Act"

Page 20, after line 11, insert:

"**SECTION 17. AMENDMENT.** Section 54-52.6-05 of the North Dakota Century Code is amended and reenacted as follows:

54-52.6-05. Direction of investments. (Effective through ~~December 31, 2024~~the day before the effective date of this Act)

Each participating member shall direct the investment of the individual's accumulated employer and employee contributions and earnings to one or more investment choices within available categories of investment provided by the board.

Direction of investments. (Effective ~~after December 31, 2024~~on the effective date of this Act)

1. Each participating member shall direct the investment of the individual's accumulated employer and employee contributions and earnings to one or more investment choices within available categories of investment provided by the board.

2. The board shall provide an investment menu of investment options. In establishing the investment options, the board shall:

   a. Include predetermined investment portfolio options constructed to reflect different risk profiles that automatically reallocate and rebalance contributions as a participating member ages.

   b. Allow a participating member to construct an investment portfolio using some or all of the investment options.

3. The board shall provide a diversified menu of mutual funds and in-plan lifetime annuity options, either fixed, variable, or a combination of both. In selecting an annuity provider the board shall comply with section 54-52.6-05.1.

4. This section applies to all defined contribution retirement plans regardless of the effective date of the plan.

SECTION 18. AMENDMENT. Section 54-52.6-05.1 of the North Dakota Century Code is amended and reenacted as follows:

54-52.6-05.1. Annuity provider - Qualifications. (Effective ~~after December 31, 2024~~on the effective date of this Act)

1. The board shall select one or more annuity providers to provide the annuity options under this chapter.

2. In selecting an annuity provider under this section, the board shall:

   a. Determine whether the annuity provider and the provider's subsidiaries and affiliates have appropriate financial strength and

stability at the time of selection and during the term of contract with the board.

(1) The board may require the provider to provide the board with written representation:

(a) The provider is in compliance with title 26.1.

(b) The provider at the time of selection is and for each of the preceding seven years was in compliance and good standing with the insurance commissioner of the provider's domiciliary state and the provider is not operating under an order of rehabilitation or liquidation.

(c) The provider maintains and has maintained reserves that satisfy the statutory requirements of each state in which the provider does business.

(2) The board may require a provider selected by the board to provide annuities under this chapter to notify the board of a change of circumstances resulting in the provider failing to meet any of the requirements under paragraph 1.

(3) The board must have determined the provider has a claims paying ability rating that meets standards adopted by the board.

b. Determine whether the annuity provider is able to provide contracted rights and benefits to a participating member.

c. Determine whether the costs, including fees and commissions, of the annuity options in relation to the benefits and product features of the annuity options are reasonable.

d. Determine whether the administrative services to be provided under the annuity option are appropriate. At a minimum the administrative services must include periodic reports to the board.

e. Determine whether the annuity provider is experienced in paying lifetime retirement income through annuities offered to public employee defined contribution retirement plans.

f. Determine whether the annuity provider offers a menu of annuity options that meet the following conditions:

(1) The annuity options are suitable for participating members and beneficiaries.

(2) The contract terms and income benefits are clearly stated, based on reasonable assumptions.

(3) The menu of annuity options offers a range of lifetime income options.

(4) If an annuity is a variable annuity, the annuity offers a fixed account option along with a variable option.

g. Determine whether the annuity provider offers objective and participant-specific education and tools to help a participating member understand the appropriate use of annuities as a long-term retirement savings vehicle.

SECTION 19. AMENDMENT. Section 54-52.6-08 of the North Dakota Century Code is amended and reenacted as follows:

54-52.6-08. Credit of transfers. (Effective through ~~December 31, 2024~~the day before the effective date of this Act)

The board shall promptly credit the plan account of a participating member who makes an election under this chapter to terminate membership in the public employees retirement system under chapter 54-52 with any amount transferred from the public employees retirement system.

Credit of transfers. (Effective ~~after December 31, 2024~~on the effective date of this Act) The board promptly shall credit the plan account of a participating member who makes an election under section 54-52.6-02 to terminate membership in the public employees retirement system under chapter 54-52 with any amount transferred from the public employees retirement system."

Page 20, line 14, overstrike "**December 31,**"

Page 20, line 14, replace "**2023**" with "**the day before the effective date of this Act**"

Page 22, line 3, overstrike "**after December 31,**"

Page 22, line 3, replace "**2023**" with "**on the effective date of this Act**"

Page 22, line 5, overstrike "January 1,"

Page 22, line 5, replace "2024" with "the effective date of this Act"

Page 22, line 9, overstrike "December 31,"

Page 22, line 9, replace "2023" with "the day before the effective date of this Act"

Page 22, line 18, overstrike "January 1,"

Page 22, line 18, replace "2024" with "the effective date of this Act"

Page 22, line 23, overstrike "December 31,"

Page 22, line 23, replace "2023" with "the day before the effective date of this Act"

Page 24, after line 2, insert:

"**SECTION 21. AMENDMENT.** Section 54-52.6-09.6 of the North Dakota Century Code is amended and reenacted as follows:

54-52.6-09.6. Participation by temporary employees. (Effective ~~after December 31, 2024~~on the effective date of this Act)

A temporary employee may elect, within one hundred eighty days of beginning employment, to participate in the defined contribution retirement plan under this chapter. Monthly, the temporary employee shall contribute an amount equal to nine and twenty-six hundredths percent times the temporary employee's present monthly salary, and may elect to contribute up to an additional six percent. An employer may not pay the temporary employee's contribution. A temporary employee may continue to participate as a temporary employee until termination of employment or reclassification of the temporary employee as a permanent employee.

SECTION 22. AMENDMENT. Section 54-52.6-10 of the North Dakota Century Code is amended and reenacted as follows:

54-52.6-10. Vesting. (Effective through ~~December 31, 2024~~the day before the effective date of this Act)

A participating member is immediately one hundred percent vested in that member's contributions made to that member's account under this chapter. A

participating member vests in the employer contributions made on that member's behalf to an account under this chapter according to the following schedule:

1. Upon completion of two years of service, fifty percent.

2. Upon completion of three years of service, seventy-five percent.

3. Upon completion of four years of service, one hundred percent.

A participating member also becomes one hundred percent vested in the employer contributions upon reaching age sixty-five. A participating member who was a member or deferred member of the public employees retirement system under chapter 54-52 who makes an election to participate in the defined contribution retirement plan pursuant to this chapter must be credited with the years of service accrued under the public employees retirement system on the effective date of participation in the defined contribution retirement plan for the purpose of meeting vesting requirements for benefits under this section. Any forfeiture as a result of the failure of a participating member to vest in the employer contribution must be deposited in the administrative expenses account.

Vesting. (Effective ~~after December 31, 2024~~on the effective date of this Act)

1. A participating member is immediately one hundred percent vested in that member's contributions made to that member's account under this chapter. A participating member vests in the employer contributions made on that member's behalf to an account under this chapter according to the following schedule:

   a. Upon completion of two years of service, fifty percent.

   b. Upon completion of three years of service, seventy-five percent.

   c. Upon completion of four years of service, one hundred percent.

2. A participating member also becomes one hundred percent vested in the employer contributions upon reaching age sixty-five. A participating member who was a member or deferred member of the public employees retirement system under chapter 54-52 who makes an election to participate in the defined contribution retirement plan under section 54-52.6-02 or 54-52.6-02.2 must be credited with the years of service accrued under the public employees retirement system on the effective date of participation in the defined contribution retirement plan for the purpose of meeting vesting requirements for benefits under this section. Any forfeiture as a result of the failure of a participating member to vest in the employer contribution must be deposited in the administrative expenses account.

SECTION 23. AMENDMENT. Section 54-52.6-13 of the North Dakota Century Code is amended and reenacted as follows:

54-52.6-13. Distributions. (Effective through ~~December 31, 2024~~the day before the effective date of this Act)

1. A participating member is eligible to receive distribution of that person's accumulated balance in the plan upon becoming a former participating member.

2. Upon the death of a participating member or former participating member, the board shall pay the accumulated account balance of that deceased participant to the deceased participant's refund beneficiary, if any, as provided in this subsection. If the deceased participant designated an alternate refund beneficiary with the surviving spouse's written consent, the board shall distribute the accumulated balance to the named beneficiary. If the deceased participant named more than one

primary beneficiary with the surviving spouse's written consent, the board shall pay the accumulated account balance to the named primary beneficiaries in the percentages designated by the deceased participant or, if the deceased participant had not designated a percentage for the beneficiaries, in equal percentages. If one or more of the primary beneficiaries has predeceased the deceased participant, the board shall pay the predeceased beneficiary's share to the remaining primary beneficiaries. If any beneficiary survives the deceased participant, yet dies before distribution of the beneficiary's share, the beneficiary must be treated as if the beneficiary predeceased the deceased participant. If there is no remaining primary beneficiary, the board shall pay the accumulated account balance of that deceased participant to the contingent beneficiaries in the same manner. If there is no remaining designated beneficiary, the board shall pay the accumulated account balance of that deceased participant to the deceased participant's estate. If the deceased participant had not designated an alternate refund beneficiary or the surviving spouse is the refund beneficiary, the surviving spouse of the deceased participant may select a form of payment as provided in subdivision d of subsection 3.

3. A former participating member may elect one or a combination of several of the following methods of distribution of the accumulated balance:

   a. A lump sum distribution to the recipient.

   b. A lump sum direct rollover to another qualified plan, to the extent allowed by federal law.

   c. Periodic distributions, as authorized by the board.

   d. No current distribution, in which case the accumulated balance must remain in the plan until the former participating member or refund beneficiary elects a method or methods of distribution under this section, to the extent allowed by federal law.

   A surviving spouse beneficiary may elect one or a combination of several of the methods of distribution provided in subdivisions a, b, or c if the surviving spouse is the sole refund beneficiary. If the surviving spouse is not the sole refund beneficiary, the refund beneficiary may only choose a lump sum distribution of the accumulated balance.

4. If the former participating member's vested account balance is less than one thousand dollars, the board shall automatically refund the member's vested account balance upon termination of employment. The member may waive the refund if the member submits a written statement to the board, within one hundred twenty days after termination, requesting that the member's vested account balance remain in the plan.

Distributions. (Effective ~~after December 31, 2024~~<u>on the effective date of this Act</u>)

1. A participating member is eligible to receive distribution of that individual's accumulated balance in the plan upon becoming a former participating member.

2. Upon the death of a participating member or former participating member, the board shall pay the accumulated account balance of that deceased participant to the deceased participant's refund beneficiary, if any, as provided in this subsection. If the deceased participant designated an alternate refund beneficiary with the surviving spouse's written consent, the board shall distribute the accumulated balance to the named beneficiary. If the deceased participant named more than one primary beneficiary with the surviving spouse's written consent, the board shall pay the accumulated account balance to the named primary beneficiaries in the percentages designated by the deceased participant

or, if the deceased participant had not designated a percentage for the beneficiaries, in equal percentages. If one or more of the primary beneficiaries has predeceased the deceased participant, the board shall pay the predeceased beneficiary's share to the remaining primary beneficiaries. If any beneficiary survives the deceased participant, yet dies before distribution of the beneficiary's share, the beneficiary must be treated as if the beneficiary predeceased the deceased participant. If there is no remaining primary beneficiary, the board shall pay the accumulated account balance of that deceased participant to the contingent beneficiaries in the same manner. If there is no remaining designated beneficiary, the board shall pay the accumulated account balance of that deceased participant to the deceased participant's estate. If the deceased participant had not designated an alternate refund beneficiary or the surviving spouse is the refund beneficiary, the surviving spouse of the deceased participant may select a form of payment as provided in subdivision d of subsection 3.

3. a. A former participating member may elect one or a combination of several of the following methods of distribution of the accumulated balance:

(1) A lump sum distribution to the recipient.

(2) A lump sum direct rollover to another qualified plan, to the extent allowed by federal law.

(3) Periodic distributions, including annuities, as authorized by the board.

(4) No current distribution, in which case the accumulated balance must remain in the plan until the former participating member or refund beneficiary elects a method or methods of distribution under this section, to the extent allowed by federal law.

b. A surviving spouse beneficiary may elect one or a combination of several of the methods of distribution provided in paragraph 1, 2, or 3 of subdivision a if the surviving spouse is the sole refund beneficiary. If the surviving spouse is not the sole refund beneficiary, the refund beneficiary may only choose a lump sum distribution of the accumulated balance.

4. If the former participating member's vested account balance is less than one thousand dollars, the board automatically shall refund the member's vested account balance upon termination of employment. The member may waive the refund if the member submits a written statement to the board, within one hundred twenty days after termination, requesting that the member's vested account balance remain in the plan.

SECTION 24. AMENDMENT. Section 54-52.6-15 of the North Dakota Century Code is amended and reenacted as follows:

54-52.6-15. Board to provide information. (Effective through ~~December 31, 2024~~the day before the effective date of this Act)

The board shall provide information to employees who are eligible to elect to become participating members under this chapter. The information must include at a minimum the employee's current account balance, the assumption of investment risk under a defined contribution retirement plan, administrative and investment costs, coordination of benefits information, and a comparison of projected retirement benefits under the public employees retirement system under chapter 54-52 and the retirement plan established under this chapter. Notwithstanding any other provision of law, the board is not liable for any election or investment decision made by an employee based upon information provided to an employee under this chapter.

Board to provide information. (Effective ~~after December 31, 2024~~on the effective date of this Act)

1. The board shall provide information to employees who are eligible under section 54-52.6-02 or 54-52.6-02.2 to elect to become participating members under this chapter. The information must include at a minimum the employee's current account balance, the assumption of investment risk under a defined contribution retirement plan, administrative and investment costs, coordination of benefits information, and a comparison of projected retirement benefits under the public employees retirement system under chapter 54-52 and the retirement plan established under this chapter.

2. The board, or the board's vendor, shall provide to all participating members of the defined contribution retirement plan, including individuals who elected to become participating members under section 54-52.6-02 or 54-52.6-02.2:

   a. Enrollment information that includes benefits of the defined contribution retirement plan, investment options available, the assumption of risk, and administrative and investment costs.

   b. Ongoing investment and retirement income planning, including education on how to set, measure, and adjust income and saving goals based on desired retirement income and financial objectives, actual behavior, and changing circumstances.

   c. Retirement income education, including distribution options available and in-plan annuitization options.

   d. Advice and guidance information, tools, and services primarily focused on long-term planning and investing and life events that potentially influence and impact retirement savings.

3. Notwithstanding any other provision of law, the board is not liable for any election or investment decision made by an ~~employee~~individual based upon information provided to an ~~employee~~individual under this chapter.

SECTION 25. AMENDMENT. Section 54-52.6-19 of the North Dakota Century Code is amended and reenacted as follows:

54-52.6-19. Overpayments. (Effective through ~~December 31, 2024~~the day before the effective date of this Act)

The board has the right of setoff to recover overpayments made under this chapter and to satisfy any claims arising from embezzlement or fraud committed by a participating member, deferred member, refund beneficiary, or other person who has a claim to a distribution or any other benefit from a plan governed by this chapter.

Overpayments. (Effective ~~after December 31, 2024~~on the effective date of this Act) The board has the right of setoff to recover overpayments made under this chapter and to satisfy any claims arising from embezzlement or fraud committed by a participating member, deferred member under this chapter, refund beneficiary, or other person that has a claim to a distribution or any other benefit from a plan governed by this chapter.

SECTION 26. AMENDMENT. Section 54-52.6-22 of the North Dakota Century Code is amended and reenacted as follows:

54-52.6-22. Report to employee benefits programs committee. (Effective ~~after December 31, 2024~~the day before the effective date of this Act)

Annually, the board shall provide a report to the employee benefits programs committee on the status of the defined contribution retirement plan under this chapter.

SECTION 27. AMENDMENT. Section 54-52.6-23 of the North Dakota Century Code is amended and reenacted as follows:

54-52.6-23. Savings clause - Plan modification. (Effective ~~after December 31, 2024~~on the effective date of this Act)

If the board determines any section of this chapter does not comply with applicable federal statutes or rules, the board shall adopt appropriate terminology with respect to that section as will comply with those federal statutes or rules, subject to the approval of the employee benefits programs committee. Any plan modifications made by the board pursuant to this section are effective until the effective date of any measure enacted by the legislative assembly providing the necessary amendments to this chapter to ensure compliance with the federal statutes or rules."

Page 24, line 5, replace "12" with "27"

Page 24, line 6, replace "January 1, 2024, if before that" with "the"

Page 24, line 6, after "date" insert "which must be before January 1, 2025, identified in a certification by"

Page 24, line 6, after "board" insert ", only if the board"

Page 24, line 8, replace "December 31, 2023" with "the day before the date identified by the board"

Page 24, line 9, replace "January 1, 2024" with "the date identified by the board"

Page 24, line 10, replace "13" with "28"

Page 24, line 10, replace "14" with "29"

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1549: Joint Appropriations Committee (Sen. Bekkedahl, Co-Chairman) recommends **BE PLACED ON THE CALENDAR WITHOUT RECOMMENDATION** (16 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1549 was placed on the Fourteenth order on the calendar. This bill does not affect workforce development.

The Senate stood adjourned pursuant to Senator Klein's motion.

Shanda Morgan, Secretary