

STATE GOVERNMENT

CHAPTER 647

HOUSE BILL NO. 1547

(Legislative Management)

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.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

54-52-03. Governing authority.

1. A state agency is hereby created to constitute the governing authority of the system to consist of a board of ~~nine~~eleven individuals known as the retirement board. No more than one elected member of the board may be in the employ of a single department, institution, or agency of the state or in the employ of a political subdivision. An employee of the public employees retirement system or the state retirement and investment office may not serve on the board.
4. ~~Two~~
2. ~~Four~~ members of the legislative assembly must be appointed ~~by the chairman of the legislative management~~ to serve on the board.
 - a. ~~If the same political party has the greatest number of members in both the house and senate, one member must be from that majority party and one member from the political party with the next greatest number of members in the house and senate.~~
 - b. ~~If the same political party does not have the greatest number of members in both the house and senate, one member must be from the majority party in the house and one member must be from the majority party in the senate.~~
2. ~~One member~~ The majority leader of the house of representatives shall appoint two members of the house of representatives and the majority leader of the senate shall appoint two members of the senate. The members appointed under this subsection shall serve a term of two years. The members appointed under this subsection serve at the pleasure of the appointing majority leader.
3. Four members of the board must be appointed by the governor to serve a term of five years. ~~The~~Each appointee under this subsection must be a North

~~Dakota citizen who is not a state or political subdivision employee and who by experience is familiar with money management retirement and employee benefit plans. The governor shall appoint one of the citizen member-ismembers to serve as chairman of the board. The members appointed under this subsection serve at the pleasure of the governor.~~

3. One member of the board must be appointed by the attorney general from the attorney general's legal staff and shall serve a term of five years.
4. ~~The state health officer appointed under section 23-01-05 or the state health officer's designee is a member of the board.~~
- 5-4. Three board members must be elected by and from among the active participating members, members of the retirement plan established under chapter 54-52.6, members of the retirement plan established under chapter 39-03.1, and members of the job service North Dakota retirement plan. Employees who have terminated their employment for whatever reason are not eligible to serve as elected members of the board under this subsection. Board members must be elected to a five-year term pursuant to an election called by the board. Notice of board elections must be given to all active participating members. The time spent in performing duties as a board member may not be charged against any employee's accumulated annual or any other type of leave.
6. ~~One board member must be elected by and from among those individuals who are receiving retirement benefits under this chapter. The board shall call the election and must give prior notice of the election to the individuals eligible to participate in the election pursuant to this subsection. The board member shall serve a term of five years.~~
- 7-5. The members of the board are entitled to receive one hundred forty-eight dollars per day compensation and necessary mileage and travel expenses as provided in sections 44-08-04 and 54-06-09. This is in addition to any other pay or allowance due the chairman or a member, plus an allowance for expenses they may incur through service on the board.
- 8-6. A board member shall serve ~~a five-year term and~~ until the board member's successor qualifies. Each board member is entitled to one vote, and ~~five~~eight of the ~~nine~~eleven board members constitute a quorum. ~~Five~~Six votes are necessary for resolution or action by the board at any meeting.

SECTION 2. PUBLIC EMPLOYEES RETIREMENT SYSTEM - MAIN SYSTEM DEFINED BENEFIT PLAN INVESTMENTS. During the 2023-25 biennium, the retirement board may not reduce the actuarial rate of return assumption for the public employees retirement system main system defined benefit plan below six and one-half percent.

SECTION 3. PUBLIC EMPLOYEES RETIREMENT SYSTEM - RETIREMENT PLAN TRANSITION EDUCATION. During the 2023-25 biennium, the public employees retirement system shall conduct an informational campaign to educate current and prospective state employees of the transition from the defined benefit retirement plan to the defined contribution retirement plan.

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.

SECTION 5. EXEMPTION - EMPLOYEE BENEFITS PROGRAMS COMMITTEE.

This Act is exempt from the requirements of section 54-35-02.4.

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

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

Approved October 25, 2023

Filed October 25, 2023

CHAPTER 648

HOUSE BILL NO. 1546

(Legislative Management)

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.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 54-63.1-04 of the North Dakota Century Code is amended and reenacted as follows:

54-63.1-04. Clean sustainable energy authority - Duties - Report.

1. The authority shall make recommendations to the commission for program guidelines, including eligibility criteria for entities to receive funding under this chapter.
2. The nonvoting technical advisors shall develop a process to review and evaluate projects to determine the technical merits and feasibility of any application, including potential benefits of the development of low-emission technology, the expansion of the development of the state's natural resources or energy production, and the contribution to the economic diversity in the state.
3. The authority may develop a loan program or a loan guarantee program under the clean sustainable energy fund. The Bank of North Dakota shall administer the loan program or loan guarantee program. The interest rate of a loan under this program may not exceed two percent per year. The maximum term of a loan under this section must be approved by the commission based on a recommendation from the authority. The Bank shall review applications for loans or loan guarantees and shall consider the business plan, financial statements, and other information necessary to evaluate the application. To be eligible for a loan or loan guarantee, an entity shall agree to provide the Bank of North Dakota with information as requested. The Bank of North Dakota may develop policies for loan participation with local financial institutions.
4. The authority shall make recommendations to the commission for grant awards, loan approvals, or other financial assistance to provide funding to support research, development, and technological advancements for the large scale development and commercialization of projects, processes, activities, and technologies that reduce environmental impacts and increase sustainability of energy production and delivery in accordance with this chapter. Any projects, processes, activities, and technologies selected by the commission for funding must have been recommended by the authority, must demonstrate feasibility based on a technical review conducted by the nonvoting technical advisors of the authority, must have other sources of financial support, and must achieve the priorities and purposes of the program. At the request of the authority, the Bank of North Dakota shall provide a recommendation regarding the economic feasibility of a project,

process, activity, or technology under consideration by the authority. The Bank shall review the business plan, financial statements, and other information necessary to provide a recommendation.

5. The authority shall develop a fertilizer development incentive program, including guidelines to provide loan forgiveness. Funding for the fertilizer development incentive program under this subsection is limited to one hundred twenty-five million dollars.

a. To be eligible for the fertilizer development incentive program:

- (1) The fertilizer production facility must be located within the state;
- (2) The owner of the fertilizer production facility must be an entity domiciled in the United States or Canada;
- (3) The owner must borrow money under a program administered by the Bank of North Dakota; and
- (4) The fertilizer production facility must use hydrogen produced by the electrolysis of water.

b. Upon completion of the construction of the fertilizer production facility, the authority shall forgive the loan and shall use fertilizer development incentive funding to repay any outstanding amount borrowed, as certified by the Bank. The authority shall request an appropriation from the strategic investment and improvements fund or other funding sources to provide fertilizer development incentive funding to repay any outstanding amount borrowed.

6. The authority may consult with any other state agency necessary to carry out the purposes under this chapter.

- ~~6-7.~~ Each biennium, the authority shall provide a written report to the legislative management regarding its activities and the program's financial impact on state revenues and the state's economy.

SECTION 2. RETROACTIVE APPLICATION. This Act applies retroactively to July 1, 2023.

SECTION 3. EFFECTIVE DATE. This Act becomes effective immediately upon its filing with the secretary of state.

Approved October 25, 2023

Filed October 25, 2023