

2025 HOUSE FINANCE AND TAXATION

HB 1234

2025 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Room JW327E, State Capitol

HB 1234
1/20/2025

Relating to the transfer of gaming tax revenues and the deposit of sales and use tax collections; and to provide an expiration date.

9:00 a.m. Chairman Headland called the meeting to order.

Members Present: Chairman Headland, Representatives Anderson, Dockter, Dressler, Foss, Grueneich, Ista, Motschenbacher, Nehring, Olson, Steiner, Toman

Members Absent: Vice Chairman Hagert, Representative Porter

Discussion Topics:

- Income streams
- Pension payments
- Income generation
- General fund revenue
- Reducing liability
- Dedicated legacy fund
- Gaming expenses
- Bond the loan payments

9:01 a.m. Chairman Headland opened the hearing.

9:02 a.m. Recess for 5 minutes.

9:07 a.m. Representative Dockter, District 7, ND Legislative Assembly, introduced the bill.

9:16 a.m. Scott Meske, Lobbyist for the ND Gaming Alliance, testified in favor and submitted testimony #29940.

9:19 a.m. Aaron Birst, Executive Director, ND Association of Counties, testified in favor.

9:23 a.m. Chairman Headland closed the hearing.

Janae Pinks, Committee Clerk



Benefiting North Dakota Communities through Charitable Gaming

January 20, 2025

Testimony in SUPPORT of House Bill 1234

Chairman Headland and Members of the House Finance and Taxation Committee:

I'm Scott Meske, representing the North Dakota Gaming Alliance and on behalf of the Members of the NDGA, we stand in support of House Bill 1234. ND Gaming Alliance represents all facets of the charitable gaming industry. Veteran and Fraternal Organizations, Charities, Hospitality, Manufacturers, and Distributors.

We stand in support of HB 1234 but do have one small concern that we would ask you to consider. We are fine with the excess taxes going to help fund the public employee retirement system (PERS) which we think is a good use for those revenues. However our concern is that if the industry would ever need a decrease in our tax rate in the future, instead of simply being a decrease in direct revenues to the state, it would instead be an expense. Likely next week you will be hearing HB 1465 which addresses the current gaming tax rates on charities. If this committee decides to support HB 1234, we would also ask that you support HB 1465 to hopefully avoid the issue I just stated.

With that I would entertain any questions you may have.

Thank you for the opportunity to be with you this morning, and will attempt to entertain any questions you may have.

2025 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Room JW327E, State Capitol

HB 1234
1/28/2025

Relating to the transfer of gaming tax revenues and the deposit of sales and use tax collections; and to provide an expiration date.

9:10 a.m. Chairman Headland opened the meeting.

Members Present: Chairman Headland, Vice Chairman Hagert, Representatives Anderson, Dockter, Dressler, Foss, Grueneich, Ista, Motschenbacher, Nehring, Olson, Porter, Steiner, Toman

Discussion Topics:

- SIF fund vs General fund
- Pensions

9:11 a.m. Representative Dockter introduced the bill and submitted testimony #32116.

9:14 a.m. Representative J. Olson moved to amend LC#25.0432.01002.

9:14 a.m. Representative D. Anderson seconded the motion.

9:16 a.m. Representative Steiner resisted the motion.

Representatives	Vote
Representative Craig Headland	Y
Representative Jared Hagert	Y
Representative Dick Anderson	Y
Representative Jason Dockter	Y
Representative Ty Dressler	Y
Representative Jim Grueneich	Y
Representative Mike Motschenbacher	Y
Representative Dennis Nehring	N
Representative Jeremy Olson	Y
Representative Todd Porter	Y
Representative Vicky Steiner	N
Representative Nathan Toman	N
Representative Austin Foss	Y
Representative Zachary Ista	Y

9:16 a.m. Motion passes 11-3-0.

9:17 a.m. Representative J. Olson moved a Do Pass as Amended and to re-refer to House Appropriations.

9:17 a.m. Representative D. Anderson seconded the motion.

Representatives	Vote
Representative Craig Headland	Y
Representative Jared Hagert	Y
Representative Dick Anderson	Y
Representative Jason Dockter	Y
Representative Ty Dressler	Y
Representative Jim Grueneich	Y
Representative Mike Motschenbacher	Y
Representative Dennis Nehring	N
Representative Jeremy Olson	Y
Representative Todd Porter	Y
Representative Vicky Steiner	N
Representative Nathan Toman	N
Representative Austin Foss	Y
Representative Zachary Ista	N

9:18 a.m. Motion passed 10-4-0.

9:18 a.m. Representative J. Olson will carry the bill.

9:19 a.m. Chairman Headland closed the meeting.

Janae Pinks, Committee Clerk

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1234

Introduced by

Representatives Dockter, Bosch, Schauer, Stemen, Lefor

Senators Dever, Roers

1 A BILL ~~for an Act to create and enact section 57-39.2-26.5 of the North Dakota Century Code,~~
2 ~~relating to the deposit of sales tax collections; to amend and reenact subsection 3 of section~~
3 ~~53-06.1-11.2 and section 57-39.2-26 of the North Dakota Century Code, relating to the transfer~~
4 ~~of gaming tax revenues and the deposit of sales and use tax collections; and to provide an~~
5 ~~expiration date.~~ for an Act to provide a transfer from the strategic investment and improvements
6 fund to the public employees retirement system main plan.

7 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

8 ~~SECTION 1. AMENDMENT.~~ Subsection 3 of section ~~53-06.1-11.2~~ of the North Dakota
9 Century Code is amended and reenacted as follows:

10 ~~3.~~ On or before June thirtieth of each odd-numbered year, the attorney general shall
11 certify to the state treasurer the amount of accumulated funds in the charitable gaming
12 operating fund which exceed the amount appropriated by the legislative assembly for
13 administrative and operating costs associated with charitable gaming for the
14 subsequent biennium. The state treasurer shall transfer the certified amount from the
15 charitable gaming operating fund to the general fund prior to public employees
16 retirement system main system plan before the end of each biennium.

17 ~~SECTION 2. AMENDMENT.~~ Section ~~57-39.2-26~~ of the North Dakota Century Code is
18 amended and reenacted as follows:

~~57-39.2-26. Allocation of revenue. (Effective through June 30, 2027)~~

~~Except as provided by sections 57-39.2-26.1, 57-39.2-26.2, 57-39.2-26.3, and 57-39.2-26.4, and 57-39.2-26.5, all moneys collected and received under this chapter must be paid into the state treasury and must be credited by the state treasurer to the general fund. Moneys deposited with the commissioner as security for the payment of tax, penalties, or costs due must be deposited and accounted for as provided in subsection 3 of section 57-39.2-12.~~

~~**Allocation of revenue. (Effective after June 30, 2027)** Except as provided by sections 57-39.2-26.1 and, 57-39.2-26.2, and 57-39.2-26.5, all moneys collected and received under this chapter must be paid into the state treasury and must be credited by the state treasurer to the general fund. Moneys deposited with the commissioner as security for the payment of tax, penalties, or costs due must be deposited and accounted for as provided in subsection 3 of section 57-39.2-12.~~

~~**SECTION 3.** Section 57-39.2-26.5 of the North Dakota Century Code is created and enacted as follows:~~

~~**57-39.2-26.5. Allocation to public employees retirement system main plan.**~~

~~Notwithstanding any other provision of law, the state treasurer shall deposit in the public employees retirement system main system plan state imposed sales tax collections received from a seller that is registered through the streamlined sales tax central registration system under chapter 57-39.4.~~

~~**SECTION 4. EXPIRATION DATE.** This Act is effective until the date the executive director of the public employees retirement system certifies to the legislative council that the funded ratio of the public employees retirement system main plan is ninety percent or more.~~

SECTION 1. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO PUBLIC EMPLOYEES RETIREMENT SYSTEM FUND. The office of management and budget shall transfer the sum of \$135,000,000 from the strategic investment and improvements fund to the public employees retirement system fund, for the purpose of reducing the unfunded liability of the public employees retirement system main system defined benefit plan, during the biennium beginning July 1, 2025, and ending June 30, 2027.

**REPORT OF STANDING COMMITTEE
HB 1234**

Finance and Taxation Committee (Rep. Headland, Chairman) recommends **AMENDMENTS** ([25.0432.01002](#)) and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (10 YEAS, 4 NAYS, 0 ABSENT AND NOT VOTING). HB 1234 was placed on the Sixth order on the calendar.

25.0432.01002
Title.

Prepared by the Legislative Council
staff for Representative Dockter
January 27, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1234

Introduced by

Representatives Dockter, Bosch, Schauer, Stemen, Lefor

Senators Dever, Roers

1 A BILL ~~for an Act to create and enact section 57-39.2-26.5 of the North Dakota Century Code,~~
2 ~~relating to the deposit of sales tax collections; to amend and reenact subsection 3 of section~~
3 ~~53-06.1-11.2 and section 57-39.2-26 of the North Dakota Century Code, relating to the transfer~~
4 ~~of gaming tax revenues and the deposit of sales and use tax collections; and to provide an~~
5 ~~expiration date.~~ for an Act to provide a transfer from the strategic investment and improvements
6 fund to the public employees retirement system main plan.

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

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10 ~~—3.—On or before June thirtieth of each odd-numbered year, the attorney general shall~~
11 ~~certify to the state treasurer the amount of accumulated funds in the charitable gaming~~
12 ~~operating fund which exceed the amount appropriated by the legislative assembly for~~
13 ~~administrative and operating costs associated with charitable gaming for the~~
14 ~~subsequent biennium. The state treasurer shall transfer the certified amount from the~~
15 ~~charitable gaming operating fund to the general fund prior to~~ public employees
16 retirement system main system plan before the end of each biennium.

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18 ~~amended and reenacted as follows:~~

~~— **57-39.2-26. Allocation of revenue. (Effective through June 30, 2027)**~~

~~— Except as provided by sections 57-39.2-26.1, 57-39.2-26.2, 57-39.2-26.3, and 57-39.2-26.4, and 57-39.2-26.5, all moneys collected and received under this chapter must be paid into the state treasury and must be credited by the state treasurer to the general fund. Moneys deposited with the commissioner as security for the payment of tax, penalties, or costs due must be deposited and accounted for as provided in subsection 3 of section 57-39.2-12.~~

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~~— **SECTION 3.** Section 57-39.2-26.5 of the North Dakota Century Code is created and enacted as follows:~~

~~— **57-39.2-26.5. Allocation to public employees retirement system main plan.**~~

~~— Notwithstanding any other provision of law, the state treasurer shall deposit in the public employees retirement system main system plan state imposed sales tax collections received from a seller that is registered through the streamlined sales tax central registration system under chapter 57-39.4.~~

~~— **SECTION 4. EXPIRATION DATE.** This Act is effective until the date the executive director of the public employees retirement system certifies to the legislative council that the funded ratio of the public employees retirement system main plan is ninety percent or more.~~

SECTION 1. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO PUBLIC EMPLOYEES RETIREMENT SYSTEM FUND. The office of management and budget shall transfer the sum of \$135,000,000 from the strategic investment and improvements fund to the public employees retirement system fund, for the purpose of reducing the unfunded liability of the public employees retirement system main system defined benefit plan, during the biennium beginning July 1, 2025, and ending June 30, 2027.

2025 HOUSE APPROPRIATIONS

HB 1234

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

HB 1234
2/13/2025

A BILL for an Act to provide a transfer from the strategic investment and improvements fund to the public employees retirement system main plan.

8:45 a.m. Chairman Vigesaa called the meeting to order.

Members Present: Chairman Vigesaa, Vice Chairman Kempenich, Representatives Anderson, Berg, Bosch, Brandenburg, Fisher, Hanson, Louser, Martinson, Meier, Mitskog, Monson, Murphy, Nathe, Nelson, O'Brien, Pyle, Richter, Sanford, Stemen, Swiontek, Wagner

Discussion Topics:

- Committee Voting

8:45 a.m. Representative Headland introduced the Bill.

8:48 a.m. Representative Dockter answered questions.

8:53 a.m. Representative Stemen motioned Do Pass.

8:53 a.m. Representative Swiontek seconded.

8:53 a.m. Roll Call Vote.

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Mike Berg	Y
Representative Glen Bosch	Y
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative David Monson	Y
Representative Eric J. Murphy	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy L. Pyle	Y

Representative David Richter	Y
Representative Mark Sanford	Y
Representative Gregory Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	Y

8:54 a.m. Motion Passed 23-0-0.

8:54 a.m. Representative Olson will carry the Bill.

8:54 a.m. Chairman Vigasaa closed the meeting.

Sierra Schartz, Committee Clerk

**REPORT OF STANDING COMMITTEE
ENGROSSED HB 1234 ([25.0432.02000](#))**

Appropriations Committee (Rep. Vigesaa, Chairman) recommends **DO PASS** (23 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1234 was placed on the Eleventh order on the calendar.

2025 SENATE STATE AND LOCAL GOVERNMENT

HB 1234

2025 SENATE STANDING COMMITTEE MINUTES

State and Local Government Committee Room JW216, State Capitol

HB 1234
3/6/2025

To provide a transfer from the strategic investment and improvements fund to the public employees retirement system main plan.

11:00 a.m. Chair Roers called the hearing to order.

Members Present: Chairman Roers; Vice Chair Castaneda; Senators: Barta, Braunberger, Lee and Walen.

Discussion Topics:

- Eliminate deficit
- Lump sum deposit

11:00 a.m. Representative Dockter, District #7, introduced the bill.

11:07 a.m. Derrick Hohbein, Chief Operating/Financial Officer NDPERS, testified in favor and submitted testimony #38419.

11:13 a.m. Senator Walen moved Do Pass and rereferred to Appropriations.

11:13 a.m. Senator Castaneda seconded the motion.

Senators	Vote
Senator Kristin Roers	Y
Senator Jose L. Castaneda	Y
Senator Jeff Barta	AB
Senator Ryan Braunberger	Y
Senator Judy Lee	Y
Senator Chuck Walen	Y

Motion Passed 5-0-1

Senator Roers will carry the bill.

11:17 a.m. Chair Roers closed the hearing.

Susan Helbling, Committee Clerk

**REPORT OF STANDING COMMITTEE
ENGROSSED HB 1234 ([25.0432.02000](#))**

State and Local Government Committee (Sen. Roers, Chairman) recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (5 YEAS, 0 NAYS, 1 ABSENT OR EXCUSED AND NOT VOTING). HB 1234 was rereferred to the **Appropriations Committee**. This bill does not affect workforce development.

TESTIMONY OF DERRICK HOHBEIN

House Bill 1234 – SIIF Fund Transfer to Main Plan

Good Morning, Madam Chair and members of the committee. My name is Derrick Hohbein and I am the Chief Operating/Financial Officer of the North Dakota Public Employees Retirement System, or NDPERS. I appreciate the committee taking the time to analyze House Bill 1234, which would infuse a lump sum cash deposit into the Main Defined Benefit Plan. I am here today on behalf of the NDPERS Board in support of the bill.

Section 1 would transfer \$135 Million from the Strategic Investment and Improvements Fund to the Main Defined Benefit Plan for the purpose of reducing the unfunded liability on the plan. The analysis from our consultant is also included at the end of my testimony.

Some observations we'd share:

1. If both HB 1234 and HB 1146 pass the Senate chamber, this lump sum cash infusion does exceed the ~\$90 Million in Actuarially Determined Employer Contributions (ADEC) that the fund needs to receive next biennium. Passing HB 1234 would eliminate the 6.02% ADEC increase to State employers that would otherwise be effective January 1, 2026.
2. HB 1040 that was passed during the 68th Legislative Session included a fixed date that the Main plan will be funded on (2056). Receiving this lump sum cash infusion will not get the Main Plan funded any earlier, but it will reduce the amounts future Legislative Assemblies will need to collect to ensure the stability of the plan into the future.

Madam Chair, I appreciate the committee taking the time to learn more about the impact this bill will have to our state. This concludes my testimony, and I'd be happy to answer any questions the committee may have.



February 4, 2025

Representative Austen Schauer, Chair
Legislative Employee Benefits Programs Committee
North Dakota State Government

Re: North Dakota Public Employees Retirement System Legislative Studies

Dear Representative Schauer:

In accordance with your request, we have analyzed the impact of Bill No. 25.0432.02000 on the North Dakota Public Employees Retirement System (NDPERS). Our review is actuarial in nature; we are not attorneys and cannot provide legal advice.

Systems Affected

North Dakota Public Employees Retirement System (Main System)

Summary

Bill No. 25.0432.02000

Establishes that \$135 million be transferred from the strategic investment and improvements fund to the North Dakota Public Employees Retirement System Fund during the biennium beginning July 1, 2025 and ending June 30, 2027 to reduce the Main System unfunded liability.

Actuarial Impact of Bill 0432 on NDPERS

Based on the valuation projection as of July 1, 2024 which assumes (1) no change to the current funding policy, (2) no changes to benefit provisions, and (3) no gains or losses and all actuarial assumptions from the 2024 valuation are realized, the Main System is expected to have a funded ratio of 69.1 percent in 2026 and to reach 100 percent funded in 2056.

Based on the Alternate Scenario projections of the Main System results as of July 1, 2024, with the provisions proposed in the bill, which assumes (1) a cash infusion of \$135 million on January 1, 2026, (2) the additional State employer Actuarially Determined Employer Contribution (ADEC) of 5.92% percent of pay will not be contributed during the 2025 to 2027 biennium, (3) no changes to benefit provisions, and (4) no gains or losses and all actuarial assumptions from the 2024 valuation are realized, the funded ratio of the Main System is projected to improve from 69.1 percent to 70.6 percent in 2026 and reach a 100 percent funded ratio in 2056.



Standalone and as written, Bill 432 does not appear to excuse State employers from having to contribute an additional fixed percent of pay to cover the ADEC. However, House Bill 1146 provides the legislative assembly with the ability to transfer a lump sum during the biennium in lieu of charging the additional ADEC rate to State employers. Based on our understanding of House Bill 1146 and input from NDPERS, we have assumed that State employers will not contribute the additional 5.92 percent of pay during the 2025 – 2027 biennium, but are still responsible for employer contributions of 8.12 percent of pay plus an additional 1.14 percent of pay for members hired after 2019.

Note that this letter is not intended to be an analysis of House Bill 1146.

By contributing \$135 million, rather than additional State ADEC contributions (expected to be approximately \$44 million per year) future ADEC requirements are expected to be reduced slightly. In effect, the State is contributing more than the ADEC, which reduces the unfunded liability.

The following graphs and exhibits provide additional information on the projected funded ratio for the Main System:

- Graph I: Comparison of Projected Funded Ratios for the Main System under Baseline Scenario and the scenario with the additional cash infusion
- Table I: Funded Ratio Projection Results under the Baseline and the scenario with the additional cash infusion from 2024 to 2056

Projected funded ratios are based on the actuarial value of assets.

Policy Issue Analysis

Benefits Policy Issues

- Adequacy of Retirement Benefits

No Impact.

- Competitiveness

No Impact.

- Benefits Equity and Group Integrity

No Impact.

- Purchasing Power

No impact.

- Preservation of Benefits

The cash infusion to the Main System will improve financial stability and the members' promised benefits will be more secure than without the additional funding.

- Portability

No impact.

- Ancillary Benefits

No impact.

- Social Security

No impact



Funding Policy Issues

- Actuarial Impacts

As previously noted, the additional cash infusion required by the bill will have a positive actuarial impact on the funded status of the Main System.

- Investment Impacts

The change required by the bill is expected to have a positive impact on the net cash flow of the System in the year the cash infusion is received.

Administration Issues

- Implementation Issues

No impact.

- Administrative Costs

The cash infusion is intended to replace the additional State employer ADEC contribution during the biennium, which is expected to reduce administrative complexity and cost.

- Needed Authority

The Bill appears to provide appropriate levels of administrative and governance authority to the PERS Board to implement the changes made by the Bill.

- Integration

No impact.

- Employee Communications

No impact.



Representative Austen Schauer
Legislative Employee Benefits Programs Committee
February 4, 2025
Page 5

Disclosures and Additional Information

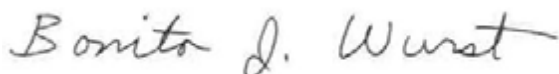
We have reviewed the bill and provided an actuarial impact analysis as well as a policy issue analysis. However, the policy issue analysis should not be considered to be comprehensive and there may be additional benefits policy or administration issues that are not discussed in this letter.

The signing actuaries are independent of the North Dakota Public Employees Retirement System.

Bonita J. Wurst and Abra D. Hill are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Please let us know if you have any questions or would like to discuss the results of this analysis further.

Sincerely,
Gabriel, Roeder, Smith & Company



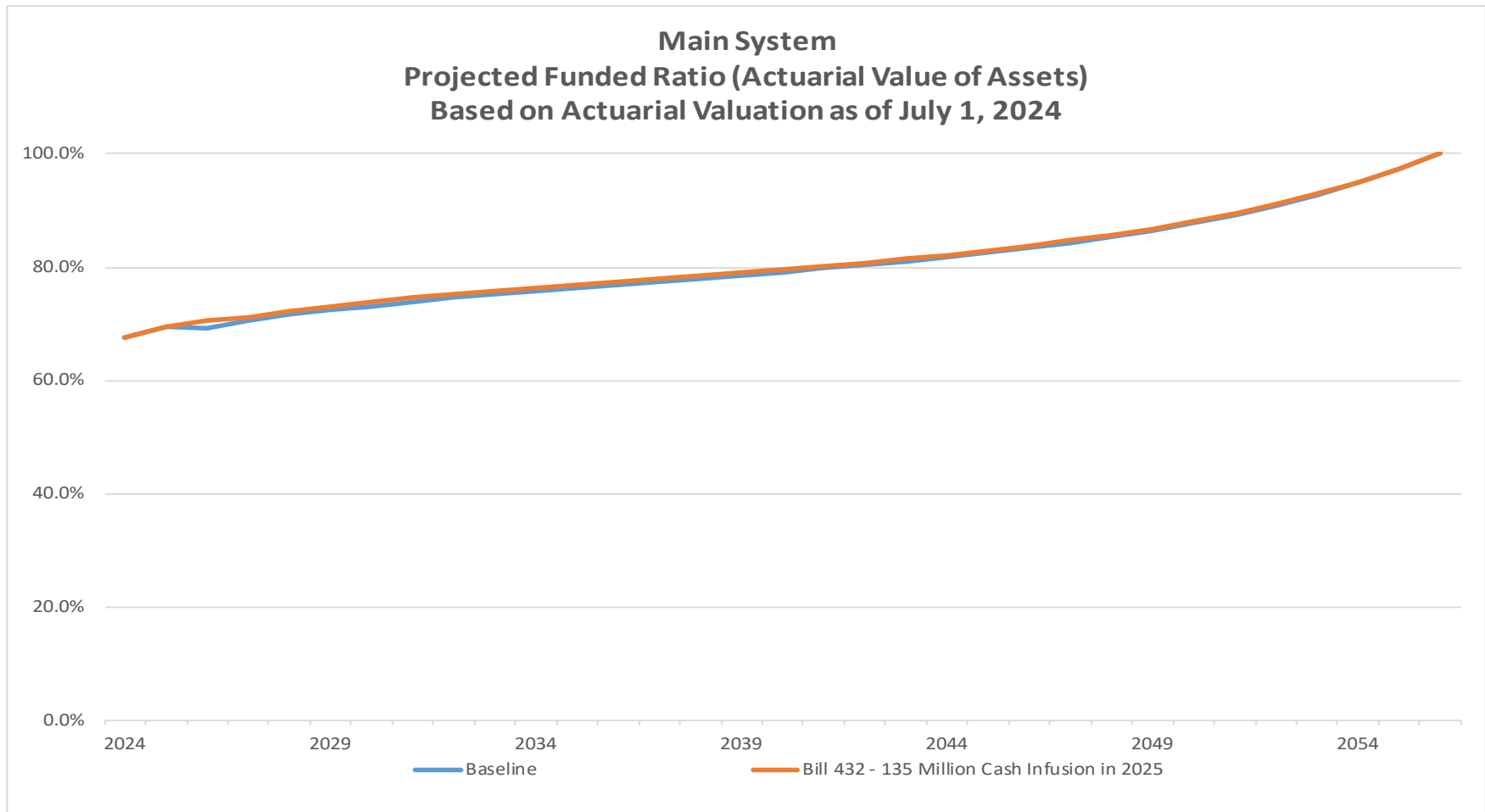
Bonita J. Wurst, ASA, EA, MAAA, FCA
Senior Consultant



Abra D. Hill, ASA, MAAA, FCA
Consultant

cc: Rebecca Fricke, NDPERS
Joshua Murner, GRS

Projected Funded Ratios under Baseline and Bill 432 Based on July 1, 2024 Actuarial Valuation



Projected Funded Ratios under Baseline and Bill 432

During 2025-2027 Biennium

Based on July 1, 2024 Actuarial Valuation

Year	Baseline Scenario	One-Time Infusion During 2025-2027 Biennium \$135 million *
2025	69.4%	69.4%
2026	69.1%	70.6%
2027	70.5%	71.2%
2028	71.5%	72.3%
2029	72.4%	73.1%
2030	73.1%	73.8%
2031	73.9%	74.6%
2032	74.6%	75.2%
2033	75.2%	75.8%
2034	75.8%	76.4%
2035	76.4%	77.0%
2036	76.9%	77.4%
2037	77.5%	78.0%
2038	78.0%	78.5%
2039	78.6%	79.0%
2040	79.1%	79.6%
2041	79.8%	80.2%
2042	80.4%	80.8%
2043	81.1%	81.5%
2044	81.8%	82.2%
2045	82.6%	83.0%
2046	83.4%	83.8%
2047	84.3%	84.7%
2048	85.3%	85.7%
2049	86.5%	86.8%
2050	87.8%	88.0%
2051	89.2%	89.5%
2052	90.8%	91.0%
2053	92.7%	92.9%
2054	94.8%	94.9%
2055	97.2%	97.3%
2056	100.0%	100.0%

* Cash infusion is in lieu of additional ADEC contributions during the 2025-2027 biennium.

2025 SENATE APPROPRIATIONS

HB 1234

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

HB 1234
3/28/2025

A BILL for an Act to provide a transfer from the strategic investment and improvements fund to the public employees retirement system main plan.

10:31 a.m. Chairman Bekkedahl opened the hearing.

Members Present: Chairman Bekkedahl, Vice-Chairman Erbele, and Senators Burckhard, Cleary, Conley, Davison, Dever, Dwyer, Magrum, Mathern, Meyer, Schaible, Sickler, Sorvaag, Thomas, Wanzek.

Discussion Topics:

- Intent Language
- Revenue Source
- Unfunded Liability

10:32 a.m. Senator Bekkedahl introduced the bill and submitted testimony #44379.

10:33 a.m. Derrick Hohbein, PERS Chief Operating and Financial Officer, testified in favor.

10:36 a.m. Senator Davison moved amendment 25.0432.02001.

10:36 a.m. Senator Cleary seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 16-0-0.

10:37 a.m. Senator Davison moved a Do Pass as Amended.

10:37 a.m. Senator Dever seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 16-0-0.

Senator Cleary will carry the bill.

10:40 a.m. Chairman Bekkedahl closed the hearing.

Elizabeth Reiten, Committee Clerk

CO
3/28/25
laf

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

ENGROSSED HOUSE BILL NO. 1234

Introduced by

Representatives Dockter, Bosch, Schauer, Stemen, Lefor

Senators Dever, Roers

1 A BILL for an Act to provide a transfer from the strategic investment and improvements fund to
2 the public employees retirement system ~~main-plan~~ fund; and to provide for a statement of
3 legislative intent.

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

5 **SECTION 1. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO**
6 **PUBLIC EMPLOYEES RETIREMENT SYSTEM FUND.** The office of management and budget
7 shall transfer the sum of ~~\$135,000,000~~ \$25,000,000 from the strategic investment and
8 improvements fund to the public employees retirement system fund, for the purpose of reducing
9 the unfunded liability of the public employees retirement system main system defined benefit
10 plan, during the biennium beginning July 1, 2025, and ending June 30, 2027.

11 **SECTION 2. LEGISLATIVE INTENT - PUBLIC EMPLOYEES RETIREMENT SYSTEM**
12 **MAIN SYSTEM DEFINED BENEFIT PLAN.** It is the intent of the sixty-ninth legislative assembly
13 that the public employees retirement system use the \$25,000,000 transferred in section 1 of this
14 Act and the \$65,000,000 projected to be deposited in the public employees retirement fund
15 during the 2025-27 biennium pursuant to section 57-51.1-07.5 for reducing the unfunded liability
16 of the public employees retirement system main system defined benefit plan. It is further the
17 intent of the sixty-ninth legislative assembly that these transfers are in lieu of the public
18 employees retirement system charging state governmental units the additional actuarially
19 determined rate under section 54-52-06 during the 2025-27 biennium.

**REPORT OF STANDING COMMITTEE
ENGROSSED HB 1234**

Appropriations Committee (Sen. Bekkedahl, Chairman) recommends **AMENDMENTS** ([25.0432.02001](#)) and when so amended, recommends **DO PASS** (16 YEAS, 0 NAYS, 0 ABSENT OR EXCUSED AND NOT VOTING). HB 1234 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

25.0432.02001
Title.

Prepared by the Legislative Council
staff for Senator Bekkedahl
March 26, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
FIRST ENGROSSMENT**

ENGROSSED HOUSE BILL NO. 1234

Introduced by

Representatives Dockter, Bosch, Schauer, Stemen, Lefor

Senators Dever, Roers

1 A BILL for an Act to provide a transfer from the strategic investment and improvements fund to
2 the public employees retirement system ~~main plan fund; and to provide for a statement of~~
3 legislative intent.

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

5 **SECTION 1. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO**
6 **PUBLIC EMPLOYEES RETIREMENT SYSTEM FUND.** The office of management and budget
7 shall transfer the sum of ~~\$135,000,000~~ \$25,000,000 from the strategic investment and
8 improvements fund to the public employees retirement system fund, for the purpose of reducing
9 the unfunded liability of the public employees retirement system main system defined benefit
10 plan, during the biennium beginning July 1, 2025, and ending June 30, 2027.

11 **SECTION 2. LEGISLATIVE INTENT - PUBLIC EMPLOYEES RETIREMENT SYSTEM**
12 **MAIN SYSTEM DEFINED BENEFIT PLAN.** It is the intent of the sixty-ninth legislative assembly
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14 Act and the \$65,000,000 projected to be deposited in the public employees retirement fund
15 during the 2025-27 biennium pursuant to section 57-51.1-07.5 for reducing the unfunded liability
16 of the public employees retirement system main system defined benefit plan. It is further the
17 intent of the sixty-ninth legislative assembly that these transfers are in lieu of the public
18 employees retirement system charging state governmental units the additional actuarially
19 determined rate under section 54-52-06 during the 2025-27 biennium.