

2025 HOUSE FINANCE AND TAXATION

HB 1319

2025 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Room JW327E, State Capitol

HB 1319
2/5/2025

Relating to a legacy fund disclosure website.

9:28 a.m. Chairman Headland opened the hearing.

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

Discussion Topics:

- ND Investments
- Transparency

9:29 a.m. Representative Bernie Satrom introduced the bill.

9:41 a.m. Jodi Smith, Retirement & Investment Office, Interim Executive Director, testified in opposition and submitted testimony #34810.

Additional written testimony:

Erika Red Tomahawk, North Dakota Native Vote, Tribal-State Policy Coordinator, submitted testimony in favor #34906.

10:10 a.m. Chairman Headland closed the hearing.

Janae Pinks, Committee Clerk



House Bill 1319
North Dakota Retirement and Investment Office (RIO)
Testimony before House Finance and Taxation
Representative Craig Headland, Chair

Jodi Smith – Interim Executive Director
Scott Anderson, CFA – Chief Investment Officer

I. RIO Statutory Authority and Responsibilities

The Retirement and Investment Office (hereinafter “RIO”) was created by the 1989 Legislative Assembly to capture administrative and investment cost savings in the management of the investment program of the State Investment Board (SIB) and the retirement program of the Teachers’ Fund for Retirement (TFFR). Statutory authority for the agency is found in North Dakota Century Code chapter 54-52.5 and the programs are governed by chapters 21-10 (SIB) and 15-39.1 (TFFR).

The SIB has the statutory responsibility to administer the investment program for 31 funds, including the Legacy Fund, TFFR, PERS, and WSI. It also maintains contractual relationships for the investment management of multiple political subdivisions and governmental funds. Currently, SIB is responsible for the investment of the Legacy Fund, seven pension funds, and 23 other non-pension funds for a total of 31 separate client funds with an overall fund value of roughly \$23 billion as of October 31, 2024.

II. Legacy Fund Overview

The North Dakota Legacy Fund was established in 2010 following the passage of a constitutional amendment approved by North Dakota voters. The fund was created to ensure that a portion of the state’s tax revenues from oil and gas production would be set aside for the long-term benefit of North Dakotans, securing financial stability for future generations.

The Legacy Fund operates as a sovereign wealth fund, receiving 30% of all oil and gas tax revenues collected in the state. Since its inception, the fund has grown significantly and had an asset value of \$11.49 billion as of October 31, 2024. It serves as a strategic financial resource for the state, generating investment earnings that can be utilized for various purposes, including legislative appropriations, infrastructure investments, economic diversification initiatives, and maintaining financial reserves to mitigate economic downturns.

During the 2023-2025 biennium, the Legacy Fund generated \$601 million in earnings, demonstrating its importance in supplementing the state's general fund and supporting long-term financial sustainability. The SIB governs investment decisions regarding the fund, ensuring that assets are allocated prudently across diverse asset classes to maximize long-term returns while managing risk.

III. Opposition Testimony relating to H.B. 1319

HB 1319 requires the establishment of a Legacy Fund disclosure website. RIO and SIB are in full support of establishing a website dedicated to the Legacy Fund.

While RIO and SIB fully support transparency and accountability in public investments, there are concerns this bill, as currently drafted, would introduce substantial commercial and contractual conflicts, ultimately jeopardizing the investment strategies and returns that the SIB is responsible for managing on behalf of North Dakota citizens. Thus, we are testifying in opposition to HB 1319.

Per RIO's interpretation of NDCC 44-04-18.4, we are unable to provide the following as listed in HB 1319: The name of the company, geography, amount invested by a fund, derivative, or other financial mechanism grouped by manager. The weights of holdings by manager are proprietary. RIO can deliver the name of a company, geography, amount invested by a fund, derivative, or other financial mechanism aggregated across managers where the underlying holdings are available and not part of an indirect fund such as a public market commingled fund, a private market commingled fund or an index fund. The weights and holdings in a public market commingled fund, index fund, a private market commingled are proprietary information.

House Bill 1319 mandates the public disclosure of all companies, funds, derivatives, and other financial mechanisms in which the Legacy Fund is invested. While transparency is a priority, such a sweeping disclosure requirement could result in unintended conflicts with contractual agreements and industry standards.

Investment managers and financial institutions routinely include confidentiality provisions in their agreements with institutional investors like the SIB. These provisions protect proprietary investment strategies, pricing structures, and competitive market positions. Publicly disclosing all investment holdings by manager or index, as required by this bill, would violate these agreements, North Dakota law and potentially limit SIB's ability to access top-tier investment opportunities and negotiate favorable terms.

Furthermore, private market investments—including private equity, venture capital, and real estate funds—frequently restrict public disclosures to maintain market integrity. If RIO is forced to disclose these investments, fund managers may refuse to do business with North Dakota's Legacy Fund or impose additional fees and conditions that could reduce returns.

Potential Legal and Regulatory Challenges

Mandating the disclosure of all investments, including private and alternative asset holdings, raises potential legal and regulatory concerns. RIO operates in compliance with federal and state regulations governing fiduciary investment management, including the

Uniform Prudent Investor Act. Under these guidelines, fiduciaries must act in the best financial interest of beneficiaries, ensuring that investment decisions are made without undue external influence or constraints that could impair financial performance.

If enacted as written, HB 1319 would place RIO in a position where it must comply with North Dakota state law and fail to adhere to industry best practices and federal fiduciary standards. This conflict could expose the state to legal challenges from investment managers, beneficiaries, or regulatory bodies, creating unnecessary liabilities. An Attorney General Opinion has been requested regarding the holdings information RIO is able to disclose and it is anticipated to be issued in the near future.

IV. Summary

RIO and the SIB share the Legislature's commitment to responsible and transparent governance of the Legacy Fund. However, House Bill 1319, as currently drafted, risks undermining the very investment strategies that have allowed the fund to grow and generate substantial earnings for North Dakota. The proposed public disclosure requirements would create contractual conflicts, limit investment opportunities, and expose the fund's strategies to undue market risks.

For these reasons, we respectfully urge this committee to oppose House Bill 1319 in its current form.

RIO and the SIB are recommending HB 1319 be amended to the following:

SECTION 1. A new section to chapter 21-10 of the North Dakota Century Code is created and enacted as follows:

Legacy fund disclosure website

1. The state investment board shall maintain a publicly accessible website containing information regarding all legacy fund investments.
2. The website must list all companies, funds and other financial mechanisms in which the legacy fund is invested in accordance with state and Federal laws.
3. This section is a continuing appropriation of all moneys required for the development and maintenance of the website.

We appreciate your time and consideration and are happy to answer any questions.



North Dakota Native Vote
919 S 7th Street
Suite 603
Bismarck, ND 58504

February 4, 2025

Testimony of Erika Red Tomahawk,
Tribal-State Policy Coordinator North Dakota Native Vote
In Support for HB 1319

Chairman Headland, Vice-Chairman Hagert, and members of the Finance and Taxation Committee,

I am submitting this testimony on behalf of North Dakota Native Vote, an organization founded in 2018 to counteract the systematic disparities that affect tribal communities in North Dakota. As an organization committed to advocating for the rights and well-being of Native peoples in our state, we strongly support House Bill 1319, which would establish a Legacy Fund Disclosure Website.

The proposed bill ensures transparency by providing publicly accessible detailed information about the investments made through North Dakota's Legacy Fund. Given that the Legacy Fund is built upon the state's oil and gas revenues, it is crucial that the state demonstrates accountability in how these funds are invested and managed.

For Native communities - many of which are located in areas with significant natural resource extraction - having access to information about these investments is particularly important. Transparency in how the Legacy Fund is used not only informs these communities but also empowers them to advocate for fair economic opportunities and sustainable development that benefit all North Dakotans equitably. I respectfully request that the Finance and Taxation Committee gives **House Bill 1319** a **"Do Pass"** recommendation.

Thank you for your time and consideration.

Kind regards,
Erika Red Tomahawk

2025 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Room JW327E, State Capitol

HB 1319
2/5/2025

Relating to a legacy fund disclosure website.

2:31 p.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

Members Absent: Representative Toman

Discussion Topics:

- State and federal law

2:32 p.m. Representative Dockter moved amendment LC #25.0451.01001.

2:32 p.m. Representative Steiner seconded the motion.

2:35 p.m. Voice vote - motion passed.

2:32 p.m. Representative Dressler moved a Do Pass as Amended.

2:35 p.m. Representative Motschenbacher 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	Y
Representative Jeremy Olson	Y
Representative Todd Porter	Y
Representative Vicky Steiner	Y
Representative Nathan Toman	AB
Representative Austin Foss	Y
Representative Zachary Ista	Y

2:36 p.m. Motion passed 13-0-1.

2:36 p.m. Representative Dressler will carry the bill.

Additional written testimony: Representative Headland submitted testimony #35464.

2:37 p.m. Chairman Headland closed the meeting.

Janae Pinks, Committee Clerk

February 5, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1319

Introduced by

Representatives Satrom, Ostlie

Senator Conley

2-5-25

JB

1001

- 1 A BILL for an Act to create and enact a new section to chapter 21-10 of the North Dakota
2 Century Code, relating to a legacy fund disclosure website.

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

4 **SECTION 1.** A new section to chapter 21-10 of the North Dakota Century Code is created
5 and enacted as follows:

6 **Legacy fund disclosure website.**

- 7 1. The state investment board shall maintain a publicly accessible website containing
8 information regarding all legacy fund investments.
9 2. The website must list all companies, funds, derivatives, and other financial
10 mechanisms in which the legacy fund is invested in accordance with state and federal
11 laws. For each investment, the website must list the:
12 a. Name of the company, fund, derivative, or other financial mechanism;
13 b. Country of incorporation or, if there is not a country of incorporation, the county of
14 the principle manager of the fund, derivative, or other financial mechanism; and
15 c. Amount of legacy fund money invested in the company, fund, derivative, or other
16 financial mechanism.
17 3. Within the limits of legislative appropriations, the state retirement and investment office
18 may spend moneys necessary for the development and maintenance of the website.

**REPORT OF STANDING COMMITTEE
HB 1319**

Finance and Taxation Committee (Rep. Headland, Chairman) recommends **AMENDMENTS** ([25.0451.01001](#)) and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (13 YEAS, 0 NAYS, 1 ABSENT OR EXCUSED AND NOT VOTING). HB 1319 was placed on the Sixth order on the calendar.

25.0451.01000

Sixty-ninth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1319

Introduced by

Representatives Satrom, Ostlie

Senator Conley

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2 Century Code, relating to a legacy fund disclosure website.

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8 information regarding all legacy fund investments.
9 2. The website must list all companies, funds and other financial mechanisms in which the
legacy fund is invested in accordance with state and Federal laws.
10 3. This section is a continuing appropriation of all moneys required for the development and
maintenance of the website.

2025 HOUSE APPROPRIATIONS

HB 1319

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

HB 1319
2/17/2025

A BILL for an Act to create and enact a new section to chapter 21-10 of the North Dakota Century Code, relating to a legacy fund disclosure website.

11:32 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:

- Retirement Funds
- North Dakota Open Records
- Funds Website

11:32 a.m. Representative Headland introduced the Bill.

11:35 a.m. Jody Smith, Director of Retirement Office, testified in favor and answered questions.

11:39 a.m. Representative Bosch motioned a Do Pass.

11:39 a.m. Representative Stemen seconded.

11:40 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	A
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	A
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

11:40 a.m. Motion passed 21-0-2.

11:41 a.m. Representative Dressler will carry the Bill.

11:41 a.m. Chairman Vigesaa closed the meeting.

Sierra Schartz, Committee Clerk

**REPORT OF STANDING COMMITTEE
ENGROSSED HB 1319 ([25.0451.02000](#))**

Appropriations Committee (Rep. Vigesaa, Chairman) recommends **DO PASS** (21 YEAS, 0 NAYS, 2 ABSENT OR EXCUSED AND NOT VOTING). HB 1319 was placed on the Eleventh order on the calendar.

2025 SENATE INDUSTRY AND BUSINESS

HB 1319

2025 SENATE STANDING COMMITTEE MINUTES

Industry and Business Committee Fort Union Room, State Capitol

HB 1319
3/10/2025

A bill relating to a legacy fund disclosure website.

2:32 p.m. Chairman Barta opened the hearing.

Members present: Chairman Barta, Vice-Chair Boehm, Klein, Senator Kessel, Senator Enget

Discussion Topics:

- Agriculture Diversification Development Fund (ADD) and meat processing
- Morality across the globe, unethical businesses, and investment
- Oslo Norway's website and ease of use
- Open records request and administrative burden
- Transparency
- State and federal law compliance
- American companies operating in foreign countries
- China and America's foreign adversaries
- State Investment Board, Legacy Fund Board, and client boards

2:33 p.m. Representative Bernie Satrom, District 12, introduced the bill, testified in favor, and submitted testimony #40091, #40092, #40093.

2:48 p.m. Jodi Smith, Interim Executive Director, ND Retirement and Investment Office (RIO), testified in favor and submitted testimony #39888.

3:16 p.m. Chairman Barta closed the hearing.

Audrey Oswald, Committee Clerk



House Bill 1319
North Dakota Retirement and Investment Office (RIO)
Testimony before Senate Industry & Business
Senator Jeff Barta, Chair

Jodi Smith – Interim Executive Director

I. RIO STATUTORY AUTHORITY AND RESPONSIBILITIES

The Retirement and Investment Office (hereinafter “RIO”) was created by the 1989 Legislative Assembly to capture administrative and investment cost savings in the management of the investment program of the State Investment Board (SIB) and the retirement program of the Teachers’ Fund for Retirement (TFFR). Statutory authority for the agency is found in North Dakota Century Code chapter 54-52.5 and the programs are governed by chapters 21-10 (SIB) and 15-39.1 (TFFR).

The SIB has the statutory responsibility to administer the investment program for 31 funds, including the Legacy Fund, TFFR, PERS, and WSI. It also maintains contractual relationships for the investment management of multiple political subdivisions and governmental funds. Currently, SIB is responsible for the investment of the Legacy Fund, seven pension funds, and 23 other non-pension funds for a total of 31 separate client funds with an overall fund value of roughly \$23 billion as of October 31, 2024.

II. LEGACY FUND OVERVIEW

The North Dakota Legacy Fund was established in 2010 following the passage of a constitutional amendment approved by North Dakota voters. The fund was created to ensure that a portion of the state’s tax revenues from oil and gas production would be set aside for the long-term benefit of North Dakotans, securing financial stability for future generations.

The Legacy Fund operates as a sovereign wealth fund, receiving 30% of all oil and gas tax revenues collected in the state. Since its inception, the fund has grown significantly and had an asset value of **\$11.49 billion as of October 31, 2024**. It serves as a strategic financial resource for the state, generating investment earnings that can be utilized for various purposes, including legislative appropriations, infrastructure investments, economic diversification initiatives, and maintaining financial reserves to mitigate economic downturns.

During the **2023-2025 biennium**, the Legacy Fund generated **\$601 million in earnings**, demonstrating its importance in supplementing the state’s general fund and supporting long-term financial sustainability. The SIB governs investment decisions regarding the fund, ensuring that assets are allocated prudently across diverse asset classes to maximize long-term returns while managing risk.

III. SUPPORT TESTIMONY RELATING TO H.B. 1319

HB 1319 requires the establishment of a Legacy Fund disclosure website. RIO and SIB are in full support of establishing a website dedicated to the Legacy Fund.

Currently, the RIO website has a page dedicated to the Legacy Fund that outlines:

- Legacy Fund Investment Policy Statement
- In-State Investment Program
- Legacy Fund Value
- Biennium Earnings
- Financial Statements
- Performance Statements
- Investment Performance Quarterly Review
- Asset Allocation Study

While a wealth of information is provided on the RIO website, most information is provided in lengthy PDFs and can be challenging for someone who isn't an investment manager to decipher.

The current presentation of the material leads to multitudes of requests for information, 33 requests over the past calendar year (approximately 30% of all of the agency's open records requests). It is anticipated that a website dedicated to the Legacy Fund will vastly reduce these requests.

Additionally, RIO frequently receives questions on Legacy Fund earning's spending. The RIO and Office of the State Treasurer websites both report the Legacy Fund earnings; however, there is currently not a website that reports how the legislature allocated spending. The Legislative Council website reports on bills that were passed in previous sessions. However, a constituent would need to know that this is available on that website. A general search of "legacy fund spending" web portal does not provide the Legislative Council website as a resource. If a constituent knows previous biennium bills are posted on Legislative Councils website, they then need to understand how to navigate that website to search through the bills from the past biennium to in order to determine the extent of the spending.

IV. SUMMARY

RIO and the SIB share the Legislature's commitment to responsible and transparent governance of the Legacy Fund and are in support of HB 1319 as passed by the House.

25.0451.02001
Title.

Prepared by the Legislative Council
staff for Representative Satrom
March 7, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
FIRST ENGROSSMENT**

ENGROSSED HOUSE BILL NO. 1319

Introduced by

Representatives Satrom, Ostlie

Senator Conley

- 1 A BILL for an Act to create and enact a new section to chapter 21-10 of the North Dakota
2 Century Code, relating to a legacy fund disclosure website.

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

- 4 **SECTION 1.** A new section to chapter 21-10 of the North Dakota Century Code is created
5 and enacted as follows:

6 **Legacy fund disclosure website.**

- 7 1. The state investment board shall maintain a publicly accessible website containing
8 information regarding all legacy fund investments.
9 2. The website must list all companies, funds, and other financial mechanisms in which
10 the legacy fund is invested in accordance with state and federal laws, including the
11 dollar amount and the percentage invested, with separate identification for the
12 investments in North Dakota. The website may include a separate category for
13 investments that are commingled and the country of investment is not disclosed.
14 3. Within the limits of legislative appropriations, the state retirement and investment office
15 may spend moneys necessary for the development and maintenance of the website.

The 24 funds listed below are funds the Legacy Fund is invested in but where the underlying investments are hidden from public view. These investments total over \$3.1 billion.

CF ARROWSTREET INTERNATIONAL EQUITY (5 DIFFERENT FUNDS)	\$426,349,702
GCM GROSVENOR CUSTOMIZED INFRASTRUCTURE STRATEGIES II	50,448,368
GCM GROSVENOR CUSTOMIZED INFRASTRUCTURE STRATEGIES III	42,556,396
PIMCO BRAVO FUND II LP	1,188,725
SIXTH STREET TAO PARTNERS (B) LP	69,464,973
CF SSGA MSCI EMERGING MARKETS EX CHINA	116,321,403
ISQ GLOBAL INFRASTRUCTURE FUND II	84,249,074
ISQ GLOBAL INFRASTRUCTURE FUND III	35,298,532
MACQUARIE INFRASTRUCTURE PARTNERS IV	92,590,118
MACQUARIE INFRASTRUCTURE PARTNERS V	98,210,162
CF INCOME AND GROWTH DOMESTIC LP	200,340,058
CF INVESCO CORE REAL ESTATE	207,987,673
CF JP MORGAN INFRASTRUCTURE LP FUND	106,232,488
CF SSGA MSCI EAFE INDEX SL CTF ELCTF	652,408,678
CF SSGA MSCI SMALL CAP INDEX	62,708,938
DMR TOTAL RETURN BOND FUND LP	155,542,551
INVESCO REAL ESTATE US FUND VI	49,475,393
LACM LARGE CAP ALPHA FUND	401,291,355
CERBERUS ND PRIVATE CREDIT FUND, LLC	154,901,047
PIMCO DISTRESSED SENIOR CREDIT	106,968,908
TOTAL	\$3,114,534,542

Some of the Most Egregious Legacy Fund Investments

Previous open records requests of the State Investment Board have exposed highly controversial Legacy Fund investments around the world – in some 89 different countries. The latest open records request, however, now hides over \$800 million in international investments from public view.

Over the past three years, here are some of the most egregious investments the State Investment Board has made with our tax dollars in the Legacy Fund:

Russia

Russian Federation/Government Bonds – The state lost millions of dollars in the legacy fund and other pension funds when they were forced to divest from these bonds following Vladimir Putin's invasion of Ukraine. We were directly supporting Putin's government before he invaded Ukraine. The taxpayers of North Dakota have never received a full accounting of how many millions of dollars were lost in Russian government bonds.

GazCap – this is a subsidiary of Gazprom, the largest natural gas company in the world and the largest company in Russia. Besides holding Europe hostage, the company reportedly supports a mercenary force helping Putin fight his war in Ukraine.

China

Bilibili, Inc. – this online "entertainment" company has featured pornographic and pedophilic content including a 34-year old man molesting a 9-year old girl and video streaming of gynecological surgery on a woman who was unaware of the procedure being filmed and livestreamed on the company's website.

Sinopec – The Trump administration accused this company of refining oil from Iran – helping Iran get around U.S. sanctions. Under pressure, Sinopec "voluntarily" delisted its stock on the NYSE.

Chinese National Offshore Oil Company (CNOOC) Former Commerce Secretary Wilbur Ross said the company supports the Chinese military and "acts as a bully for the People's Liberation Army." The company has since been delisted from the US stock exchange.

Tencent – owns two of the world's largest social media platforms that the CCP has used to spy on its citizens and root out "unauthorized religious activity." In particular, the CCP has used Tencent to surveil its Uyghur ethnic minority and move them to Chinese concentration camps.

Pax Global Technologies – The FBI and the Department of Homeland Security raided the Florida offices of this Chinese company after reports that PAX's terminals may be involved in cyber-attacks on US and EU organizations. Bloomberg has reported that the company was transmitting encrypted data to unknown third parties in China.

APT Satellite Holdings – China recently declared space as a "military domain." Two of the largest shareholders in this company are Chinese controlled aerospace companies that both the Trump and Biden administration have warned investors away from – calling them part of the "military-industrial complex of the People's Republic of China."

China Merchants Bank – the Wall Street Journal called this bank “China’s Most Dangerous Bank” because it has hundreds of billions in “bad loans and dodgy investment products,” much of which “they have recorded off their balance sheets.”

Baidu and Weibo – Two other Chinese technology giants that have been accused of assisting the CCP with its espionage efforts to steal personal information and U.S. military secrets.

12 Chinese Real Estate/Property Development Companies – I have included these at the end of this document. Most of these companies began defaulting on their bond payments while we owned the bonds and some have since gone out of business, The point here is that we invested our legacy fund in developing the housing industry in China but not in North Dakota.

Investing in Foreign Oil and Gas Competitors

These are some of the current Legacy Fund investments in competitors to our own oil and gas industry. They are all state-owned or state-controlled companies except the Canadian one:

Saudi Arabian Oil Company
Ecopetrol (Columbia))
Petrobras Global (Brazil)
Equate (Kuwait)
Petroleos Mexicanos (Mexico)
Korea National Oil Co (South Korea)
Cenovus Energy (Canada)

Past Investments in Competitors:

Pemex (Mexico)
Sinopec (China)
Gazcap (Russia)
Qatar Petroleum (Qatar)

(Note: Because at least \$800 million is now being hidden from public view, we just don’t know what other Legacy Fund investments are being made in competitors to our own industry here in North Dakota)

International Banking Industry/Net Zero Banking Alliance – Investing in Our Own Destruction

Previously supplied list of 23 banks in 12 countries.

In-state Investment Program

All we know is that the State Investment Board has given \$38.5 million to Chicago-based 50 South Capital. They have, in turn, hired five out-of-state managers. We do not know how much money has been distributed to each of the five subcontractors or how much has been invested back into North

Dakota. Getting this information is now the subject of a request for a formal opinion from the Attorney General.

(February 26, 2022)

12 Real Estate/Property Development Companies

SIB is invested in these companies – most defaulting on their bond payments

Companies defaulting on bond payments to investors:

China Aoyuan Group
China Evergrande
Fantasia Holdings Group
Kaisa Group
Shaimo Group Holdings
Sunac China Holdings
Yuzhou Group Holdings
Zhenro Properties Group

Companies being watched for possible defaults:

Agile Group Holdings
Central China Real Estate
Country Garden Holdings
Times China Holdings

While we were invested in the bonds of these companies, not the stocks, it is still important to note that the stock prices of these companies have declined by an average of 77% over the last year. The stock prices point to the viability of these companies going forward.

2025 SENATE STANDING COMMITTEE MINUTES

Industry and Business Committee Fort Union Room, State Capitol

HB 1319
3/25/2025

A bill relating to a legacy fund disclosure website.

9:11 a.m. Chairman Barta called the meeting to order.

Members present: Chairman Barta, Vice-Chair Boehm, Senator Klein, Senator Kessel, Senator Enget

Discussion Topics:

- New language
- Attorney general's opinion
- State Investment Board
- Fiscal impact
- Open records requests and costs
- Current system and accessibility concerns
- Proprietary information

9:14 a.m. Jodi Smith, Interim Executive Director, Retirement and Investment Office, answered the committee's questions.

9:24 a.m. Senator Klein moved a Do Pass and Rereferred to Appropriations.

9:24 a.m. Senator Kessel seconded the motion.

Senators	Vote
Senator Jeff Barta	Y
Senator Keith Boehm	Y
Senator Mark Enget	Y
Senator Greg Kessel	Y
Senator Jerry Klein	Y

Motion passed 5-0-0.

Senator Klein will carry the bill.

9:25 a.m. Chairman Barta closed the hearing.

Audrey Oswald, Committee Clerk

REPORT OF STANDING COMMITTEE
ENGROSSED HB 1319 ([25.0451.02000](#))

Industry and Business Committee (Sen. Barta, Chairman) recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (5 YEAS, 0 NAYS, 0 ABSENT OR EXCUSED AND NOT VOTING). HB 1319 was rereferred to the **Appropriations Committee**. This bill does not affect workforce development.

2025 SENATE APPROPRIATIONS

HB 1319

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division Sakakawea Room, State Capitol

HB 1319
3/31/2025

A BILL for an Act to create and enact a new section to chapter 21-10 of the North Dakota Century Code, relating to a legacy fund disclosure website.

8:58 a.m. Chairman Sorvaag called the meeting to order.

Members Present: Chairman Ronald Sorvaag, Senator Cole Conley, Senator Donald Schaible, Senator Paul J. Thomas.

Absent: Senator Scott Meyer.

Discussion Topics:

- Range of Costs to Produce Website.
- Ability to navigate Current Website.
- Vendor VS. Contractor.

8:58 a.m. Chairman Sorvaag discussed the week's schedule with the committee.

9:01 a.m. Jodi Smith, Interim Executive Director, ND Retirement and Investment Office, testified in favor and answered committee questions.

9:30 a.m. Senator Thomas moved a Do Pass.

9:31 a.m. Senator Conely Seconded the motion.

Senators	Vote
Senator Ronald Sorvaag	Y
Senator Cole Conley	Y
Senator Scott Meyer	AB
Senator Donald Schaible	Y
Senator Paul J. Thomas	Y

Motion Passed: 4-0-1.

Senator Conley will carry the bill.

9:33 a.m. Chairman Sorvaag closed the meeting.

Steven Hall, Committee Clerk

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

HB 1319
4/1/2025

A BILL for an Act to create and enact a new section to chapter 21-10 of the North Dakota Century Code, relating to a legacy fund disclosure website.

9:09 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:

- Costs for Website Setup
- IT Funding for Software Replacement
- Planning Grant

9:09 a.m. Senator Conley introduced the bill.

9:10 a.m. Senator Conley moved a Do Pass.

9:10 a.m. Senator Meyer 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 Klein will carry the bill.

9:12 a.m. Jodi Smith, Interim Executive Director for Investment and Retirement Office, testified as neutral.

9:18 a.m. Chairman Bekkedahl closed the hearing.

Elizabeth Reiten, Committee Clerk

**REPORT OF STANDING COMMITTEE
ENGROSSED HB 1319 ([25.0451.02000](#))**

Appropriations Committee (Sen. Bekkedahl, Chairman) recommends **DO PASS** (16 YEAS, 0 NAYS, 0 ABSENT OR EXCUSED AND NOT VOTING). Engrossed HB 1319 was placed on the Fourteenth order on the calendar. This bill does not affect workforce development.