



North Dakota Legislative Council

Prepared for the Legislative Management
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LEGACY FUND COST-BENEFIT ANALYSIS - PROPOSED PROCEDURE

OVERVIEW

North Dakota Century Code Section 54-03-35, as created in House Bill No. 1227 (2023), requires a cost-benefit analysis of any measure affecting the asset allocation or investment policy of the legacy fund based on a procedure adopted by the Legislative Management. Upon request, the Retirement and Investment Office would arrange for an independent consultant to prepare the analysis, including the estimated fiscal impact for the next biennium and the next 10 bienniums.

PROPOSED PROCEDURE

The following is a motion for consideration by the Legislative Management.

It was moved by ___ and seconded by ___ that the Legislative Management adopt the following procedure pursuant to Section 54-03-35(4) related to a cost-benefit analysis for any measure affecting the asset allocation or investment policy of the legacy fund:

- During each interim, legislators, Legislative Management interim committees, and state agencies with bill introduction privileges shall submit legislative proposals that will be introduced to the next Legislative Assembly and that affect the asset allocation or investment policy of the legacy fund to the Legislative Council by May 31st of even-numbered years.
- The Legacy and Budget Stabilization Fund Advisory Board shall meet in June of even-numbered years to review the submitted proposals. Upon a determination that a proposal affects the asset allocation or investment policy of the legacy fund, the advisory board shall request the Retirement and Investment Office arrange for the preparation and submission of a cost-benefit analysis pursuant to Section 54-03-35(1).
- During each legislative session, the Legislative Council staff shall review measures and amendments to measures for proposals that affect the asset allocation or investment policy of the legacy fund. The chairman of a committee of the Legislative Assembly shall notify the Legislative Council if a measure or amendment to a measure that affects the asset allocation or investment policy of the legacy fund is not accompanied by a cost-benefit analysis.
- Upon a determination that a proposal affects the asset allocation or investment policy of the legacy fund, the Legislative Council staff, on behalf of the Legislative Management or a committee of the Legislative Assembly, shall request the Retirement and Investment Office arrange for the preparation and submission of a cost-benefit analysis pursuant to Section 54-03-35(3).
- A measure or amendment to a measure that affects the asset allocation or investment policy of the legacy fund must be accompanied by a cost-benefit analysis before a committee of the Legislative Assembly may act upon the measure or amendment to the measure.
- The cost-benefit analysis for each proposal must be prepared by an independent consultant paid by the Retirement and Investment Office and must include the estimated fiscal impact for the next biennium and for the next 10 bienniums pursuant to Section 54-03-35(2).