

Sixty-seventh
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1380

Introduced by

Representatives Lefor, Bosch, Dockter, Headland, Howe, Nathe, Porter, M. Ruby, Steiner
Senators Patten, Sorvaag, Wardner

1 A BILL for an Act to create and enact a new section to chapter 6-09.4, a new section to chapter
2 21-10, and a new section to chapter 57-38 of the North Dakota Century Code, relating to a
3 legacy sinking and interest fund, a legacy earnings fund, and an income tax relief fund; to
4 amend and reenact section 21-10-12 of the North Dakota Century Code, relating to legacy fund
5 definitions; to provide for a transfer; and to provide a statement of legislative intent.

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

7 **SECTION 1.** A new section to chapter 6-09.4 of the North Dakota Century Code is created
8 and enacted as follows:

9 **Legacy sinking and interest fund - Debt service requirements - Public finance**
10 **authority.**

11 There is created in the state treasury the legacy sinking and interest fund. The fund consists
12 of all moneys deposited in the fund under section 3 of this Act. Moneys in the fund may be
13 spent by the public finance authority pursuant to legislative appropriations to meet the debt
14 service requirements for evidences of indebtedness issued by the authority. Any moneys in the
15 fund in excess of the amounts necessary to meet the debt service requirements for a biennium,
16 may be appropriated by the legislative assembly for other purposes.

17 **SECTION 2. AMENDMENT.** Section 21-10-12 of the North Dakota Century Code is
18 amended and reenacted as follows:

19 **21-10-12. Legacy fund –~~Earnings defined~~definitions.**

20 For the purposes of section 26 of article X of the Constitution of North Dakota, ~~the term~~
21 "earnings":

- 22 1. "Earnings" means net income in accordance with generally accepted accounting
23 principles, excluding any unrealized gains or losses.

1 2. "Principal" means all moneys in the legacy fund not included in earnings as defined
2 under subsection 1.

3 **SECTION 3.** A new section to chapter 21-10 of the North Dakota Century Code is created
4 and enacted as follows:

5 **Legacy earnings fund - State treasurer - Transfers.**

6 1. There is created in the state treasury the legacy earnings fund. The fund consists of all
7 moneys transferred to the fund under subsection 2 and all interest and earnings upon
8 moneys in the fund.

9 2. Any legacy fund earnings transferred to the general fund at the end of each biennium
10 in accordance with section 26 of article X of the Constitution of North Dakota must be
11 immediately transferred by the state treasurer to the legacy earnings fund.

12 3. If the amounts transferred under subsection 2 exceed the amount available for
13 appropriation under subsection 4 the state treasurer shall transfer the excess, within
14 thirty days, as follows:

15 a. Forty percent to the strategic investment and improvements fund to be used in
16 accordance with the provisions of section 15-08.1-08;

17 b. Forty percent to the legacy fund to become part of the principal; and

18 c. Twenty percent to the income tax relief fund under section 4 of this Act.

19 4. For each biennium subsequent to the biennium in which the legacy fund earnings are
20 transferred under subsection 2, the amount available for appropriation from the legacy
21 earnings fund is six percent of the five-year average value of the legacy fund assets as
22 reported by the state investment board. The average value of the legacy fund assets
23 must be calculated using the value of the assets at the end of each fiscal year for the
24 five-year period ending with the most recently completed even-numbered fiscal year.

25 5. On July first of each odd-numbered year, from the amount available for appropriation
26 or transfer from the legacy earnings fund for the biennium, the state treasurer shall
27 transfer funding in the following order:

28 a. The first one hundred million dollars to the legacy sinking and interest fund under
29 section 1 of this Act;

30 b. The next forty million dollars to the clean sustainable energy fund;

- 1 c. The next forty million dollars to the infrastructure revolving loan fund under
2 section 6-09-49, but not in an amount that would bring the balance of the
3 infrastructure revolving loan fund to more than five hundred million dollars; and
4 d. Any remaining funds for other purposes as designated by the legislative
5 assembly.

6 **SECTION 4.** A new section to chapter 57-38 of the North Dakota Century Code is created
7 and enacted as follows:

8 **Income tax relief fund.**

9 There is created in the state treasury the income tax relief fund. The fund consists of all
10 moneys deposited in the fund under section 3 of this Act. Moneys in the fund may be spent
11 pursuant to legislative appropriations for individual and corporate income tax relief.

12 **SECTION 5. LEGISLATIVE INTENT.** It is the intent of the sixty-seventh legislative
13 assembly that the sixty-eighth legislative assembly consider additional allocations from the
14 legacy earnings fund, including allocations to the highway tax distribution fund, value-added
15 agricultural programs, the innovation loan fund to support technology advancement, state
16 building maintenance and improvements, and for other one-time initiatives and projects,
17 including initiatives and projects to diversify the state's economy, to improve the efficiency and
18 effectiveness of state government, and to reduce ongoing general fund appropriations of state
19 agencies.