

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.