

Introduced by

Representatives Delzer, Monson, Streyle

Senators Lyson, Schaible

1 A concurrent resolution to create and enact two new sections to article X of the Constitution of
2 North Dakota, relating to the foundation aid stabilization fund and the public employees
3 retirement stabilization fund; and to amend and reenact section 24 of article X of the
4 Constitution of North Dakota, relating to the foundation aid stabilization fund.

5 **STATEMENT OF INTENT**

6 This measure limits the growth of the foundation aid stabilization fund and directs that excess
7 revenues be transferred to the public employees retirement stabilization fund.

8 **BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF NORTH DAKOTA, THE**
9 **SENATE CONCURRING THEREIN:**

10 That the following proposed two new sections to article X and the amendment to section 24
11 of article X of the Constitution of North Dakota are agreed to and must be submitted to the
12 qualified electors of North Dakota at the general election to be held in 2014, in accordance with
13 section 16 of article IV of the Constitution of North Dakota.

14 **SECTION 1. AMENDMENT.** Section 24 of article X of the Constitution of North Dakota is
15 amended and reenacted as follows:

16 **Section 24.** Twenty percent of the revenue from oil extraction taxes from taxable oil
17 produced in this state must be allocated as follows:

- 18 1. Fifty percent must be deposited in the common schools trust fund.
19 2. Fifty percent must be deposited in the foundation aid stabilization fund ~~in the state-~~
20 ~~treasury, the interest income of which must be transferred to the state general fund on~~
21 ~~July first of each year. The principal of the foundation aid stabilization fund may be~~
22 ~~expended only upon order of the governor, who may direct such a transfer only to~~
23 ~~offset foundation aid reductions that were made by executive action pursuant to law~~
24 ~~due to a revenue shortage.~~

1 **SECTION 2.** A new section to article X of the Constitution of North Dakota is created and
2 enacted as follows:

- 3 1. The balance of moneys in the foundation aid stabilization fund may not exceed one
4 hundred fifty million dollars.
- 5 2. Whenever the balance of moneys in the foundation aid stabilization fund reaches one
6 hundred fifty million dollars, any excess moneys must be transferred to the public
7 employees retirement stabilization fund and no additional moneys may be deposited in
8 the foundation aid stabilization fund until the balance in the foundation aid stabilization
9 fund falls below one hundred million dollars.
- 10 3. If the balance of moneys in the foundation aid stabilization fund falls below one
11 hundred million dollars, the deposits required by section 24 of article X, together with
12 any interest and income, must be retained in the foundation aid stabilization fund until
13 the balance is again one hundred fifty million dollars.
- 14 4. Moneys in the foundation aid stabilization fund may be expended only by the governor
15 and only for the purpose of offsetting reductions in state aid to elementary and
16 secondary education which were made by executive action pursuant to law due to a
17 revenue shortage.

18 **SECTION 3.** A new section to article X of the Constitution of North Dakota is created and
19 enacted as follows:

- 20 1. The balance of moneys in the public employees retirement stabilization fund may not
21 exceed four hundred fifty million dollars.
- 22 2. Whenever the balance of moneys in the public employees retirement stabilization fund
23 reaches four hundred fifty million dollars, any excess moneys must be transferred to
24 the state general fund and used first to provide state aid to elementary and secondary
25 education.
- 26 2. Moneys in the public employees retirement stabilization fund may be expended by the
27 legislative assembly only for the purpose of addressing any unfunded retirement
28 benefit obligations payable by the state to members of the public employees
29 retirement system.