

Introduced by

Representatives Delmore, J. Kelsh, Wall

Senators Heckaman, Poolman, Sinner

1 A concurrent resolution for the amendment of section 24 of article X of the Constitution of North
2 Dakota, relating to the permitted growth of the foundation aid stabilization fund.

3 **STATEMENT OF INTENT**

4 This measure provides that if the deposits of oil extraction tax revenues into the foundation aid
5 stabilization fund would cause the fund to increase ~~by more than two percent each year~~ to more
6 than twenty percent of the grants - state school aid line item in the prior biennium's
7 appropriation bill for the superintendent of public instruction, the excess amount must be
8 deposited in the common schools trust fund.

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

11 That the following proposed amendment to section 24 of article X of the Constitution of
12 North Dakota is agreed to and must be submitted to the qualified electors of North Dakota at the
13 primary election to be held in 2014, in accordance with section 16 of article IV of the
14 Constitution of North Dakota.

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

17 **Section 24.**

18 1. Twenty percent of the revenue from oil extraction taxes from taxable oil produced in
19 this state must be allocated as follows:

- 20 4- a. Fifty percent must be deposited in the common schools trust fund; and
21 2- b. Fifty percent must be deposited in the foundation aid stabilization fund ~~in the~~
22 ~~state treasury, the interest;~~

23 2. ~~Whenever the foundation aid stabilization fund reaches a level of one hundred million~~
24 ~~dollars, the foundation aid stabilization fund may not be allowed to grow by more than~~
25 ~~two percent per year. If in any year the amount to be deposited under this section~~

- 1 ~~would cause the foundation aid stabilization fund to exceed its permitted rate of~~
2 ~~growth~~ equal to twenty percent of the grants - state school aid line item in the prior
3 ~~biennium's appropriation bill for the superintendent of public instruction, the excess~~
4 revenue must be deposited in the common schools trust fund.
- 5 3. ~~The income of which~~ from the foundation aid stabilization fund may be expended upon
6 order of the governor to meet any shortfalls in amounts appropriated for elementary
7 and secondary education during a given biennium ~~and any~~ or to meet benefit
8 obligations payable by the state to members of any public employees retirement
9 system. ~~Any~~ income not so expended must be transferred to the state general fund on
10 July first of each ~~odd-numbered~~ year.
- 11 4. The principal of the foundation aid stabilization fund may be expended only upon order
12 of the governor, who may direct such a transfer only to offset foundation aid reductions
13 that were made by executive action pursuant to law due to a revenue shortage.