

Introduced by

Representatives Mock, Hagert, Ista, Kempenich, Kreidt, Schatz

Senators Cleary, Meyer

1 A concurrent resolution to amend and reenact section 26 of article X of the Constitution of North  
2 Dakota, relating to ~~depositing in the legacy fund a portion of royalties or other payments related~~  
3 ~~to intellectual property developed using legacy fund earnings~~ the transfer of earnings from the  
4 legacy fund.

5 **STATEMENT OF INTENT**

6 This measure would require ~~a portion of the royalties or other payments related to intellectual~~  
7 ~~property developed using legacy fund earnings to be deposited in the legacy fund~~ the legislative  
8 assembly to approve a transfer of earnings from the legacy fund each biennium and would  
9 define the earnings based on a percent of the value of the fund.

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

12 That the following proposed amendment to section 26 of article X of the Constitution of  
13 North Dakota is agreed to and must be submitted to the qualified electors of North Dakota at the  
14 general election held in 2024, in accordance with section 16 of article IV of the Constitution of  
15 North Dakota.

16 **SECTION 1. AMENDMENT.** Section 26 of article X of the Constitution of North Dakota is  
17 amended and reenacted as follows:

18 **Section 26.**

- 19 1. Thirty percent of total revenue derived from taxes on oil and gas production or  
20 extraction must be transferred by the state treasurer to a special fund in the state  
21 treasury known as the legacy fund. ~~A portion of the royalties or other payments related~~  
22 ~~to intellectual property developed using funds derived from earnings of the legacy fund~~  
23 ~~must be deposited in the legacy fund as provided by law.~~ The legislative assembly  
24 may transfer funds from any source into the legacy fund and such transfers become  
25 part of the principal of the legacy fund.

- 1           2.    The principal and earnings of the legacy fund may not be expended until after-  
2           June 30, 2017, and ~~an~~ but an expenditure of principal after that date requires a  
3           vote of at least two-thirds of the members elected to each house of the legislative  
4           assembly. Not more than fifteen percent of the principal of the legacy fund may be  
5           expended during a biennium.
- 6           3.    Statutory programs, in existence as a result of legislation enacted through 2009,  
7           providing for impact grants, direct revenue allocations to political subdivisions, and  
8           deposits in the oil and gas research fund must remain in effect but the legislative  
9           assembly may adjust statutory allocations for those purposes.
- 10          4.    The state investment board shall invest the principal of the ~~North Dakota~~ legacy fund.  
11          The
- 12          5.    On July first of each odd-numbered year, the state treasurer shall transfer seventy  
13          percent of the earnings of the North Dakota from the legacy fund accruing after  
14          June 30, 2017, ~~to the state general fund at the end of each biennium~~ to a legacy  
15          earnings fund subject to approval by the legislative assembly each biennium. Any  
16          earnings not transferred from the legacy fund become part of the principal of the  
17          legacy fund.
- 18          6.    For purposes of this section, "earnings" means up to eight percent of the five-year  
19          average value of legacy fund assets as reported by the state investment board using  
20          the value of legacy fund assets at the end of each fiscal year for the five-year period  
21          ending with the most recently completed even-numbered fiscal year.