

HOUSE CONCURRENT RESOLUTION NO.

Introduced by

Representatives Mock, Griffin

1 A concurrent resolution to create and enact a new section to article X of the Constitution of
2 North Dakota, relating to establishment and use of an oil tax trust fund; and to provide an
3 effective date.

4 **STATEMENT OF INTENT**

5 This measure establishes an oil tax trust fund and imposes limitations on use of moneys in the
6 fund.

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

9 That the following proposed new section to article X of the Constitution of North Dakota
10 is agreed to and must be submitted to the qualified electors of North Dakota at the general
11 election to be held in 2010, in accordance with section 16 of article IV of the Constitution of
12 North Dakota.

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

15 1. Of the state's share of revenue derived from taxes on oil and gas production or
16 extraction, the first one hundred fifty million dollars during a biennium must be
17 retained by the state general fund, the next one hundred fifty million dollars during
18 a biennium must be transferred by the state treasurer to a special fund in the state
19 treasury known as the oil tax trust fund, and any remaining revenue must be
20 allocated by the state treasurer in equal amounts between the state general fund
21 and the oil tax trust fund. The state treasurer shall transfer interest earnings of the
22 oil tax trust fund to the general fund at the end of each fiscal year. The principal of
23 the oil tax trust fund may not be expended except upon a vote of two-thirds or more
24 of the members elected to each house of the legislative assembly and not more
25 than forty percent of the principal may be expended during any biennium.

- 1 2. Beginning in 2013, at the beginning of each biennium the state treasurer shall
2 adjust the dollar amount limitation under this section for the amount to be retained
3 by the state general fund by applying to that amount the rate of change since the
4 beginning of the previous biennium in the consumer price index for all urban
5 consumers, all items, United States city average, or any successor index, as
6 calculated by the United States department of labor, bureau of labor statistics.
- 7 3. For purposes of this section, "state's share" of revenue derived from taxes on oil
8 and gas production or extraction means all oil and gas gross production and oil
9 extraction tax revenues except those revenues allocated by constitutional or
10 statutory provisions to impact grants, political subdivisions, the oil and gas
11 research fund, water development bond principal and interest payments and the
12 resources trust fund, the common schools trust fund, and the foundation aid
13 stabilization fund.

14 **SECTION 2. EFFECTIVE DATE.** If approved by the voters, this measure becomes
15 effective on July 1, 2011.