

Sixty-third
Legislative Assembly
of North Dakota

**ENGROSSED SENATE CONCURRENT
RESOLUTION NO. 4010**

Introduced by

Senators Hogue, Flakoll, Holmberg, Klein

Representatives Monson, Nathe

1 A concurrent resolution ~~to create and enact a new section to article X of the Constitution of~~
2 ~~North Dakota, relating to the foundation aid stabilization fund; and to amend and reenact~~
3 ~~section 24 of article X of the Constitution of North Dakota, relating to the foundation aid~~
4 ~~stabilization fund.~~ to amend and reenact section 24 of article X of the Constitution of North
5 Dakota, relating to allocation of revenue from oil extraction taxes.

6 **STATEMENT OF INTENT**

7 ~~This measure limits the growth of the foundation aid stabilization fund and provides for the~~
8 ~~disposition of any excess moneys in the fund.~~ This measure provides for the deposit of certain
9 oil extraction taxes into the state retirement stabilization fund and the foundation aid
10 stabilization fund and provides for the determination of balances in each fund.

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

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

17 ~~SECTION 1. AMENDMENT.~~ Section 24 of article X of the Constitution of North Dakota is
18 amended and reenacted as follows:

19 ~~Section 24.~~ Twenty percent of the revenue from oil extraction taxes from taxable oil
20 produced in this state must be allocated as follows:

21 ~~1.~~ Fifty percent must be deposited in the common schools trust fund.

22 ~~2.~~ Fifty percent must be deposited in the foundation aid stabilization fund in the state
23 treasury, the interest income of which must be transferred to the state general fund on
24 July first of each year. The principal of the foundation aid stabilization fund may be
25 expended only upon order of the governor, who may direct such a transfer only to

1 ~~offset foundation aid reductions that were made by executive action pursuant to law~~
2 ~~due to a revenue shortage.~~

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

5 ~~— 1. The balance of moneys in the foundation aid stabilization fund may not exceed an~~
6 ~~amount equal to twenty percent of the grants — state school aid line item, as set forth in~~
7 ~~the prior biennium's appropriation bill for the superintendent of public instruction.~~

8 ~~— 2. Whenever the balance of moneys in the foundation aid stabilization fund reaches the~~
9 ~~threshold established under subsection 1, the excess must:~~

10 ~~— a. Be transferred to another constitutional fund; or~~

11 ~~— b. Used in accordance with a legislative appropriation for the support of elementary~~
12 ~~and secondary education in this state.~~

13 ~~— 3. Moneys in the foundation aid stabilization fund may be expended only by the governor~~
14 ~~and only for the purpose of offsetting reductions in state aid to elementary and~~
15 ~~secondary education, which were made by executive action pursuant to law due to a~~
16 ~~revenue shortage.~~

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

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

23 **Section 24.**

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

26 ~~1. a.~~ Fifty percent must be deposited in the common schools trust fund:

27 ~~2. Fifty:~~

28 b. Thirty percent must be deposited in the state retirement stabilization fund; and

29 c. Twenty percent must be deposited in the foundation aid stabilization fund ~~in the~~
30 ~~state treasury, the~~

1 2. Moneys in the state retirement stabilization fund may be expended by the legislative
2 assembly only for the purpose of addressing unfunded retirement benefit obligations to
3 which members of state retirement systems may be entitled. The balance of moneys
4 to be maintained in the fund must be determined by law.

5 3. The interest income of ~~which~~the foundation aid stabilization fund must be transferred
6 to the state general fund on July first of each year. The principal in the foundation aid
7 stabilization fund may not exceed one hundred fifty percent of the principal amount in
8 that fund on July 1, 2014. The use of the excess in that fund must be determined by
9 law. The principal ~~of~~remaining in the foundation aid stabilization fund may be
10 expended only upon order of the governor, who may direct such a transfer only to
11 offset foundation aid reductions that were made by executive action pursuant to law
12 due to a revenue shortage.