

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.

5 **STATEMENT OF INTENT**

6 This measure limits the growth of the foundation aid stabilization fund and provides for the
7 disposition of any excess moneys in the fund.

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

10 That the following proposed new section to article X of the Constitution of North Dakota and
11 the amendment to section 24 of article X of the Constitution of North Dakota are agreed to and
12 must be submitted to the qualified electors of North Dakota at the general election to be held in
13 2014, in accordance with 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. a. The balance of moneys in the foundation aid stabilization fund may not exceed
4 three hundred million dollars, except as provided in subdivision b.
- 5 b. Beginning July 1, 2017, and every two years thereafter, the permitted balance of
6 moneys in the foundation aid stabilization fund must be adjusted by the rate of
7 inflation over the previous two-year period, as established by the federal bureau
8 of labor statistics. The legislative council shall determine and publish the balance
9 adjustment.
- 10 2. Whenever the balance of moneys in the foundation aid stabilization fund reaches the
11 threshold established under subsection 1, the excess must:
- 12 a. Be transferred to another constitutional fund; or
- 13 b. Used in accordance with a legislative appropriation for the support of elementary
14 and secondary education in this state.
- 15 3. Moneys in the foundation aid stabilization fund may be expended only by the governor
16 and only for the purpose of offsetting reductions in state aid to elementary and
17 secondary education, which were made by executive action pursuant to law due to a
18 revenue shortage.