

Introduced by

Representatives Carlson, Devlin, Nathe, Schatz, Vigesaa

1 A concurrent ~~resolution to amend and reenact section 26 of article X of the Constitution of North~~
2 ~~Dakota, relating to transfer of a portion of the earnings of the legacy fund to the legacy~~
3 ~~scholarship fund.~~ resolution directing the Legislative Management to study the most beneficial
4 use of the earnings of the legacy fund.

5 **STATEMENT OF INTENT**

6 ~~This measure provides for transfer of a portion of the earnings of the legacy fund to the legacy~~
7 ~~scholarship fund and use of that fund to provide legacy scholarships to North Dakota high~~
8 ~~school graduates to attend North Dakota state institutions of higher education. Amounts of, and~~
9 ~~qualification for, legacy scholarships will be determined by laws enacted by the legislative~~
10 ~~assembly.~~

11 WHEREAS, the voters of North Dakota approved adoption of section 26 of article X of the
12 Constitution of North Dakota in 2010, providing for deposit of 30 percent of oil and gas tax
13 revenue in the legacy fund; and

14 WHEREAS, the constitutional provision requires transfer of legacy fund earnings to the
15 state general fund beginning in 2017; and

16 WHEREAS, before the time legacy fund earnings become available for appropriation is the
17 appropriate time for careful legislative consideration of establishing legislative priorities for
18 appropriate uses of legacy fund earnings; and

19 WHEREAS, development of legislative priorities for legacy fund earnings is the best method
20 to implement the vision of North Dakota citizens who enacted the constitutional provision;

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

23 ~~That the following proposed amendment to section 26 of article X of the Constitution of~~
24 ~~North Dakota is agreed to and must be submitted to the qualified electors of North Dakota at the~~

1 general election to be held in 2014, in accordance with section 16 of article IV of the
2 Constitution of North Dakota.

3 ~~— **SECTION 1. AMENDMENT.** Section 26 of article X of the Constitution of North Dakota is~~
4 ~~amended and reenacted as follows:~~

5 ~~— **Section 26.**~~

6 ~~— 1. Thirty percent of total revenue derived from taxes on oil and gas production or~~
7 ~~extraction must be transferred by the state treasurer to a special fund in the state~~
8 ~~treasury known as the legacy fund. The legislative assembly may transfer funds from~~
9 ~~any source into the legacy fund and such transfers become part of the principal of the~~
10 ~~legacy fund.~~

11 ~~— 2. The principal and earnings of the legacy fund may not be expended until after~~
12 ~~June 30, 2017, and an expenditure of principal after that date requires a vote of at~~
13 ~~least two-thirds of the members elected to each house of the legislative assembly. Not~~
14 ~~more than fifteen percent of the principal of the legacy fund may be expended during a~~
15 ~~biennium.~~

16 ~~— 3. Statutory programs, in existence as a result of legislation enacted through 2009,~~
17 ~~providing for impact grants, direct revenue allocations to political subdivisions, and~~
18 ~~deposits in the oil and gas research fund must remain in effect but the legislative~~
19 ~~assembly may adjust statutory allocations for those purposes.~~

20 ~~— 4. The state investment board shall invest the principal of the North Dakota legacy fund.~~

21 The

22 ~~— 5. Beginning July 1, 2018, on July first of each year, the state treasurer shall transfer ten~~
23 ~~million dollars of the earnings of the North Dakota legacy fund to a special fund in the~~
24 ~~state treasury known as the legacy scholarship fund. Money deposited in the legacy~~
25 ~~scholarship fund and the earnings of that fund may be expended only by legislative~~
26 ~~appropriation for legacy scholarships. Legacy scholarships may be awarded as~~
27 ~~provided by law but only to recipients of a North Dakota school district high school~~
28 ~~diploma who meet academic performance and other minimum standards established~~
29 ~~by law. Legacy scholarships may be awarded only for attendance at North Dakota~~
30 ~~state institutions of higher education.~~

1 ~~6. Except for funds transferred to the legacy scholarship fund under subsection 5, the~~
2 ~~state treasurer shall transfer all earnings of the North Dakota legacy fund accruing~~
3 ~~after June 30, 2017, to the state general fund at the end of each biennium.~~

4 That the Legislative Management study the most beneficial uses of earnings of the legacy
5 fund; and

6 **BE IT FURTHER RESOLVED**, that the Legislative Management report its findings and
7 recommendations, together with any legislation required to implement the recommendations, to
8 the Sixty-fourth Legislative Assembly.