

HOUSE CONCURRENT RESOLUTION NO. 3008

Introduced by

Representatives Paulson, Hoverson, Johnston, M. Nelson, M. Ruby, Simons

Senators Kannianen, O. Larsen

1 A concurrent resolution to amend and reenact section 2 of article IX of the Constitution of North
2 Dakota, relating to allowable uses of the common schools trust fund.

3 **STATEMENT OF INTENT**

4 This measure would allow the use of common schools trust fund assets in excess of four billion
5 dollars to be used for low interest school construction loans.

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

8 That the following proposed amendment to section 2 of article IX of the Constitution of
9 North Dakota is agreed to and must be submitted to the qualified electors of North Dakota at the
10 general election to be held in 2020, in accordance with section 16 of article IV of the
11 Constitution of North Dakota.

12 **SECTION 1. AMENDMENT.** Section 2 of article IX of the Constitution of North Dakota is
13 amended and reenacted as follows:

14 **Section 2.** Distributions from the common schools trust fund, together with the net
15 proceeds of all fines for violation of state laws and all other sums which may be added by law,
16 must be faithfully used and applied each year for the benefit of the common schools of the
17 state, which includes the provision of low interest school construction loans to school districts as
18 provided by law, and no part of the fund must ever be diverted, even temporarily, from this
19 purpose or used for any purpose other than the maintenance or construction of common
20 schools as provided by law. Distributions from an educational or charitable institution's trust fund
21 must be faithfully used and applied each year for the benefit of the institution and no part of the
22 fund may ever be diverted, even temporarily, from this purpose or used for any purpose other
23 than the maintenance or construction of the institution, as provided by law.

24 ~~For the biennium during which this amendment takes effect, distributions from the perpetual~~
25 ~~trust funds must be the greater of the amount distributed in the preceding biennium or ten-~~

1 percent of the five-year average value of trust assets, excluding the value of lands and
2 minerals. Thereafter, biennial The legislative assembly may make available common
3 schools trust fund assets for low interest school construction loans only to the extent that
4 common schools trust fund assets, not including the value of land and minerals, exceed an
5 amount equal to four billion dollars plus one half of the oil extraction tax revenue deposited into
6 the fund after June 30, 2021. Low interest school construction loans may be made in a manner
7 and upon the terms provided for by the legislative assembly. Biennial distributions from the
8 perpetual trust funds must be ten percent of the five-year average value of trust assets,
9 excluding the value of lands and minerals. The average value of trust assets is determined by
10 using the assets' ending value for the fiscal year that ends one year before the beginning of the
11 biennium and the assets' ending value for the four preceding fiscal years. Equal amounts must
12 be distributed during each year of the biennium.