

Introduced by

Senators Hogue, Bekkedahl, Kreun, G. Lee

Representatives Louser, Sanford

1 A concurrent resolution to amend and reenact section 26 of article X of the Constitution of North
2 Dakota, relating to use of the principal and earnings of the legacy fund to create the North
3 Dakota first fund for the purpose of funding permanent infrastructure projects.

4 **STATEMENT OF INTENT**

5 This measure would create a North Dakota infrastructure fund to be known as the North Dakota
6 first fund to be administered by the North Dakota infrastructure board. The fund would serve as
7 a grant and low-interest revolving loan fund from the principal and earnings of the legacy fund
8 and would provide a procedure for political subdivisions to access grants and low-interest loans
9 for permanent infrastructure projects.

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

12 That the following amendment to section 26 of article X of the Constitution of North Dakota
13 is agreed to and must be submitted to the qualified electors of North Dakota at the general
14 election to be held in 2020, in accordance with section 16 of article IV of the Constitution of
15 North Dakota.

16 **SECTION 1. AMENDMENT.** Section 26 of article X of the Constitution of North Dakota is
17 amended and reenacted as follows:

18 **Section 26.**

- 19 1. Thirty percent of total revenue derived from taxes on oil and gas production or
20 extraction must be transferred by the state treasurer to a special fund in the state
21 treasury known as the legacy fund. The legislative assembly may transfer funds from
22 any source into the legacy fund and such transfers become part of the principal of the
23 legacy fund.
- 24 2. ~~The principal and earnings of the legacy fund may not be expended until after~~
25 ~~June 30, 2017, and~~Except for transfers required in this section, an expenditure of

- 1 principal ~~after that date~~ of the fund requires a vote of at least two-thirds of the
2 members elected to each house of the legislative assembly. Not more than fifteen
3 percent of the principal of the legacy fund may be expended during a biennium.
- 4 3. Statutory programs, in existence as a result of legislation enacted through 2009,
5 providing for impact grants, direct revenue allocations to political subdivisions, and
6 deposits in the oil and gas research fund must remain in effect but the legislative
7 assembly may adjust statutory allocations for those purposes.
- 8 4. The North Dakota first fund is created in the state treasury to serve as a political
9 subdivision grant and revolving loan fund. The state treasurer shall transfer to the
10 North Dakota first fund fifteen percent of the principal balance of the legacy fund as of
11 July 1, 2021, and annual transfers of fifteen percent of any increase in the principal of
12 the legacy fund and twenty-five percent of the earnings of the legacy fund on
13 September first of each succeeding fiscal year. The North Dakota first fund must be
14 used solely for the purpose of providing grants and low-interest loans to political
15 subdivisions. All moneys in the fund are appropriated on a continuing basis to the
16 infrastructure board for disbursement in accordance with this section.
- 17 5. The North Dakota infrastructure board is created to control and administer the state
18 infrastructure fund for purposes of defraying the expenses associated with permanent
19 infrastructure projects by providing grants and low-interest loans to political
20 subdivisions. The board consists of the following members:
- 21 a. Two members of the house of representatives, elected by its members;
22 b. Two members of the senate, elected by its members;
23 c. One mayor from one of the eight largest cities in the state, based on the most
24 recent decennial census, appointed by election during the annual meeting of the
25 association representing the cities;
26 d. One mayor from a city that is not one of the eight largest cities, based on the
27 most recent decennial census, appointed by election during the annual meeting
28 of the association representing the cities;
29 e. One county commissioner from one of the six largest counties by population
30 according to the most recent decennial census, appointed by election during the
31 annual meeting of the association representing the counties;

- 1 f. One county commissioner from a county that is not one of the six largest counties
2 by population according to the most recent decennial census, appointed by
3 election during the annual meeting of the association representing the counties;
4 and
5 g. One member of the state water commission, elected by the members of the
6 commission.
- 7 6. Each infrastructure fund board member shall serve a two-year term beginning on
8 January 15, 2021, not to exceed three full terms. A vacancy must be filled by the board
9 to complete the term of a vacant member, but the replacement must possess the
10 same qualifications as the departed member. The board shall select a chairman and
11 vice chairman. The board shall adopt policies and establish guidelines to administer
12 the state infrastructure fund and use the earnings from the legacy fund to provide
13 grants and low-interest loans to political subdivisions for the purpose of defraying the
14 expenses of permanent infrastructure projects.
- 15 7. The state investment board shall invest the principal of the North Dakota legacy fund.
16 ~~The~~Except as required by subsection 4, the state treasurer shall transfer earnings of
17 the North Dakota legacy fund accruing after June 30, 2017, to the state general fund
18 at the end of each biennium.