

State of South Dakota

SEVENTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2001

400E0859

SENATE JOINT RESOLUTION NO. 4

Introduced by: Senators Hainje, Daugaard, Everist, Hutmacher, and Moore and
Representatives Eccarius, Olson (Mel), and Peterson (Bill)

1 A JOINT RESOLUTION, Proposing and submitting to the electors at a special election
2 designated by the Seventy-sixth Legislature, an amendment to Article XII of the Constitution
3 of the State of South Dakota, relating to the creation and administration of trust funds.

4 BE IT RESOLVED BY THE SENATE OF THE STATE OF SOUTH DAKOTA, THE
5 HOUSE OF REPRESENTATIVES CONCURRING THEREIN:

6 Section 1. That at the election designated by the Seventy-fifth Legislature, meeting in special
7 session, to be held in the state on April 10, 2001, the following amendment to Article XII of the
8 Constitution of the State of South Dakota, as set forth in section 2 of this Joint Resolution,
9 which is hereby agreed to, shall be submitted to the electors of the state for approval.

10 Section 2. That Article XII of the Constitution, of the State of South Dakota, be amended
11 by adding thereto NEW SECTIONS to read as follows:

12 § 5. There is hereby created in the state treasury a trust fund named the health care trust
13 fund. The state treasurer shall deposit into the health care trust fund any funds on deposit in the
14 intergovernmental transfer fund as of July 1, 2001, and thereafter any funds appropriated to the
15 health care trust fund as provided by law. The South Dakota Investment Council or its successor

1 shall invest the health care trust fund in stocks, bonds, mutual funds, and other financial
2 instruments as provided by law. Beginning in fiscal year 2003, and each year thereafter, the state
3 treasurer shall make a distribution from the health care trust fund into the state general fund to
4 be appropriated by law for health care related programs. The calculation of the distribution shall
5 be defined by law and may promote growth of the fund and a steadily growing distribution
6 amount. The health care trust fund may not be diverted for other purposes nor may the principal
7 be invaded unless appropriated by a three-fourths vote of all the members-elect of each house
8 of the Legislature. The original principal and any funds thereafter deposited or appropriated to
9 the trust fund shall forever remain inviolate.

10 § 6. There is hereby created in the state treasury a trust fund named the education
11 enhancement trust fund. The state treasurer shall deposit into the education enhancement trust
12 fund any funds received as of July 1, 2001, and funds received thereafter by the state pursuant
13 to the Master Settlement Agreement entered into on November 23, 1998, by the State of South
14 Dakota and major United States tobacco product manufacturers or the net proceeds of any sale
15 or securitization of rights to receive payments pursuant to the Master Settlement Agreement, any
16 funds in the youth-at-risk trust fund as of July 1, 2001, and thereafter any funds appropriated to
17 the education enhancement trust fund as provided by law. The South Dakota Investment Council
18 or its successor shall invest the education enhancement trust fund in stocks, bonds, mutual funds,
19 and other financial instruments as provided by law. Beginning in fiscal year 2003, and each year
20 thereafter, the state treasurer shall make a distribution from the education enhancement trust
21 fund into the state general fund to be appropriated by law for education enhancement programs.
22 The calculation of the distribution shall be defined by law and may promote growth of the fund
23 and a steadily growing distribution amount. The education enhancement trust fund may not be
24 diverted for other purposes nor may the principal be invaded unless appropriated by a three-

1 fourths vote of all the members-elect of each house of the Legislature. The original principal and
2 any funds thereafter deposited or appropriated to the trust fund shall forever remain inviolate.

3 Section 3. The provisions of section 2 of this Joint Resolution shall be effective on July 1,
4 2001.