

A JOINT RESOLUTION, Proposing and submitting to the electors at the next general election amendments to Article VIII of the Constitution of the State of South Dakota to permit the investment of the permanent school funds in certain stocks, bonds, mutual funds, and other financial instruments.

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

Section 1. That at the next general election held in the state, the following amendments to sections 2, 3, 7, 11, and 13 of Article VIII of the Constitution of the State of South Dakota, as set forth in sections 2, 3, 4, 5, and 6 of this Joint Resolution, which is hereby agreed to, shall be submitted to the electors of the state for approval.

Section 2. That Article VIII, section 2 of the Constitution of the State of South Dakota, be amended to read as follows:

§ 2. All proceeds of the sale of public lands that have heretofore been or may hereafter be given by the United States for the use of public schools in the state; all such per centum as may be granted by the United States on the sales of public lands; the proceeds of all property that shall fall to the state by escheat; the proceeds of all gifts or donations to the state for public schools or not otherwise appropriated by the terms of the gift; and all property otherwise acquired for public schools, shall be and remain a perpetual fund for the maintenance of public schools in the state. It shall be deemed a trust fund held by the state. The principal shall never be diverted by legislative enactment for any other purpose, and may be increased; but, if any loss occurs through any unconstitutional act, the state shall make the loss good through a special appropriation.

Section 3. That Article VIII, section 3 of the Constitution of the State of South Dakota, be amended to read as follows:

§ 3. The interest and income of this fund together with all other sums which may be added thereto by law, shall be faithfully used and applied each year for the benefit of the public schools of the state,

and shall be for this purpose apportioned among and between all the several public school corporations of the state in proportion to the number of children in each, of school age, as may be fixed by law; and no part of the fund, either principal or interest, shall ever be diverted, by legislative enactment, even temporarily, from this purpose or used for any other purpose whatever than the maintenance of public schools for the equal benefit of all the people of the state. However, the principal may be prudently invested as provided by law.

That the proceeds of all fines collected from violations of state laws shall be paid to the county treasurer of the county in which said fine shall have been imposed, and by him distributed among and between all of the several public schools incorporated in such county in proportion to the number of children in each, of school age, as may be fixed by law.

Section 4. That Article VIII, section 7 of the Constitution of the State of South Dakota, be amended to read as follows:

§ 7. All lands, money, or other property donated, granted, or received from the United States or any other source for a university, agricultural college, normal schools or other educational or charitable institution or purpose, and the proceeds of all such lands and other property so received from any source, shall be and remain perpetual funds, the interest and income of which, together with the rents of all such lands as may remain unsold, shall be inviolably appropriated and applied to the specific objects of the original grants or gifts. The principal of every such fund may be increased, but shall never be diverted by legislative enactment for any other purpose, and the interest and income only shall be used. Every such fund shall be deemed a trust fund held by the state, and the state shall make good all losses that may occur through any unconstitutional act or where required under the Enabling Act.

Section 5. That Article VIII, section 11 of the Constitution of the State of South Dakota, be amended to read as follows:

§ 11. Except as otherwise required by the Enabling Act, the moneys of the permanent school and

other educational and charitable funds shall be invested by the state investment council in stocks, bonds, mutual funds, and other financial instruments as provided by law.

Section 6. That Article VIII, section 13 of the Constitution of the State of South Dakota, be amended to read as follows:

§ 13. The permanent school or other educational and charitable funds of this state shall be audited by the proper authorities of the state. If any loss occurs through any unconstitutional act, the state shall make the loss good through a special appropriation. The amount of indebtedness so created shall not be counted as a part of the indebtedness mentioned in article XIII, § 2.

Proposing and submitting to the electors at the next general election amendments to Article VIII of the Constitution of the State of South Dakota to permit the investment of the permanent school funds in certain stocks, bonds, mutual funds, and other financial instruments.

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I certify that the attached
Resolution originated in the
SENATE as Joint Resolution No. 2

Secretary of the Senate

President of the Senate

Attest:

Secretary of the Senate

Speaker of the House

Attest:

Chief Clerk

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STATE OF SOUTH DAKOTA,
ss.
Office of the Secretary of State

Filed _____, 19____
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State

Senate Joint Resolution No. 2
File No. _____
Chapter No. _____