

# State of South Dakota

SEVENTY-SIXTH SESSION  
LEGISLATIVE ASSEMBLY, 2001

400E0859

## SENATE ENGROSSED NO. **SJR 4** - 03/03/2001

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.

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

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