

# State of South Dakota

SEVENTY-NINTH SESSION  
LEGISLATIVE ASSEMBLY, 2004

736J0516

## SENATE BILL NO. 168

Introduced by: Senators Dennert, Dempster, Duxbury, Kleven, Moore, Olson (Ed), Sutton (Duane), and Symens and Representatives Williamson, Burg, Craddock, Elliott, Gillespie, Hanson, Hundstad, Konold, McLaughlin, Novstrup, and Smidt

1 FOR AN ACT ENTITLED, An Act to revise certain provisions relating to the valuation,  
2 calculation, and transfer of earnings from the education enhancement trust fund and from  
3 the health care trust fund and to declare an emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

5 Section 1. That § 4-5-29.1 be amended to read as follows:

6 4-5-29.1. Pursuant to S.D. Const., Art. XII, § 5, the state investment officer shall determine  
7 the market value of the health care trust fund as of ~~June thirtieth~~ December 31, 2003, and each  
8 calendar year thereafter less the investment expenses transferred pursuant to § 4-5-30. ~~As soon~~  
9 ~~as practicable after July first the~~ The state investment officer shall calculate an amount equal to  
10 four percent of that market value, without invading principal, as eligible for distribution. For the  
11 purpose of this section, the term, principal, means the sum of all contributions to the fund.  
12 Beginning with the distribution in fiscal year 2006, ~~a four year average market value shall be~~  
13 ~~used to calculate the distribution~~ 2007, the market value shall be determined by adding the  
14 market value of the trust fund at the end of the sixteen most recent calendar quarters as of



1 December thirty-first, and dividing the sum by sixteen. Upon notice of that amount by the state  
2 investment officer, the state treasurer shall transfer the amount from the health care trust fund  
3 to the state general fund as soon as practicable after July first of the next fiscal year.

4 Section 2. That § 4-5-29.2 be amended to read as follows:

5 4-5-29.2. Pursuant to S.D. Const., Art. XII, § 6, the state investment officer shall determine  
6 the market value of the education enhancement trust fund as of ~~June thirtieth~~ December 31,  
7 2003, and each calendar year thereafter less the investment expenses transferred pursuant to  
8 § 4-5-30. ~~As soon as practicable after July first the~~ The state investment officer shall calculate  
9 an amount equal to four percent of that market value, without invading principal, as eligible for  
10 distribution. For the purpose of this section, the term, principal, means the sum of all  
11 contributions to the fund. Beginning with the distribution in fiscal year ~~2006, a four year average~~  
12 ~~market value shall be used to calculate the distribution~~ 2007, the market value shall be  
13 determined by adding the market value of the trust fund at the end of the sixteen most recent  
14 calendar quarters as of December thirty-first, and dividing the sum by sixteen. Upon notice of  
15 that amount by the state investment officer, the state treasurer shall transfer the amount from the  
16 education enhancement trust fund to the state general fund as soon as practicable after July first  
17 of the next fiscal year.

18 Section 3. Whereas, this Act is necessary for the support of the state government and its  
19 existing public institutions, an emergency is hereby declared to exist, and this Act shall be in  
20 full force and effect from and after its passage and approval.