

28 **Article VI, Section 29. [Lending public credit and subscribing to stock or bonds**
29 **forbidden -- Exception.]**

30 (1) The Legislature may not authorize the State, or any county, city, town, school
31 district, or other political subdivision of the State to lend its credit or, except as provided in
32 Subsection (2), to subscribe to stock or bonds in aid of any railroad, telegraph, or other private
33 individual or corporate enterprise or undertaking[, ~~except as provided in Article X, Section 5~~].

34 (2) The Legislature may by statute authorize the State or a public institution of
35 postsecondary education to acquire an equity interest in a private business entity as
36 consideration for the sale, license, or other transfer to the private business entity of intellectual
37 property developed in whole or in part by the State or the public institution of postsecondary
38 education, and to hold and dispose of the equity interest.

39 Section 2. It is proposed to amend Utah Constitution Article X, Section 5, to read:

40 **Article X, Section 5. [State School Fund and Uniform School Fund --**
41 **Establishment and use -- Debt guaranty.]**

42 (1) There is established a permanent State School Fund which shall consist of revenue
43 from the following sources:

44 (a) proceeds from the sales of all lands granted by the United States to this state for the
45 support of the public elementary and secondary schools;

46 (b) 5% of the net proceeds from the sales of United States public lands lying within
47 this state;

48 (c) all revenues derived from nonrenewable resources on state lands, other than
49 sovereign lands and lands granted for other specific purposes;

50 (d) all revenues derived from the use of school trust lands;

51 (e) revenues appropriated by the Legislature; and

52 (f) other revenues and assets received by the fund under any other provision of law or
53 by bequest or donation.

54 (2) (a) The State School Fund principal shall be safely invested and held by the state in
55 perpetuity.

56 (b) Only the interest and dividends received from investment of the State School Fund
57 may be expended for the support of the public education system as defined in Article X,
58 Section 2 of this constitution.

59 (c) The Legislature may make appropriations from school trust land revenues to
60 provide funding necessary for the proper administration and management of those lands
61 consistent with the state's fiduciary responsibilities towards the beneficiaries of the school land
62 trust. Unexpended balances remaining from the appropriation at the end of each fiscal year
63 shall be deposited in the State School Fund.

64 (d) The State School Fund shall be guaranteed by the state against loss or diversion.

65 (3) There is established a Uniform School Fund which shall consist of revenue from
66 the following sources:

67 (a) interest and dividends from the State School Fund;

68 (b) revenues appropriated by the Legislature; and

69 (c) other revenues received by the fund under any other provision of law or by
70 donation.

71 (4) The Uniform School Fund shall be maintained and used for the support of the
72 state's public education system as defined in Article X, Section 2 of this constitution and
73 apportioned as the Legislature shall provide.

74 (5) (a) ~~[The]~~ Notwithstanding Article VI, Section 29, the State may guarantee the debt
75 of school districts created in accordance with Article XIV, Section 3, and may guarantee debt
76 incurred to refund the school district debt. Any debt guaranty, the school district debt
77 guaranteed thereby, or any borrowing of the state undertaken to facilitate the payment of the
78 state's obligation under any debt guaranty shall not be included as a debt of the state for
79 purposes of the 1.5% limitation of Article XIV, Section 1.

80 (b) The Legislature may provide that reimbursement to the state shall be obtained from
81 monies which otherwise would be used for the support of the educational programs of the
82 school district which incurred the debt with respect to which a payment under the state's
83 guaranty was made.

84 **Section 3. Submittal to voters.**

85 The lieutenant governor is directed to submit this proposed amendment to the voters of
86 the state at the next regular general election in the manner provided by law.

87 **Section 4. Effective date.**

88 If the amendment proposed by this joint resolution is approved by a majority of those
89 voting on it at the next regular general election, the amendment shall take effect on January 1,

90 2005.

Legislative Review Note
as of 1-27-04 12:46 PM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel

State Impact

It is estimated that publication and distribution costs to put this resolution on the ballot would be \$11,500 from the General Fund.

	<u>FY 2005</u> <u>Approp.</u>	<u>FY 2006</u> <u>Approp.</u>	<u>FY 2005</u> <u>Revenue</u>	<u>FY 2006</u> <u>Revenue</u>
General Fund	\$11,500	\$0	\$0	\$0
TOTAL	\$11,500	\$0	\$0	\$0

Individual and Business Impact

No fiscal impact.