

State of South Dakota

EIGHTY-SECOND SESSION LEGISLATIVE ASSEMBLY, 2007

277N0577

SENATE BILL NO. 104

Introduced by: Senators Knudson, Abdallah, Albers, Dempster, Duenwald, Gant, Garnos, Gray, Hansen (Tom), Hauge, Hunhoff, Lintz, McCracken, McNenny, Olson (Ed), and Smidt (Orville) and Representatives Rhoden, Boomgarden, Brunner, Buckingham, Carson, Cutler, Davis, Deadrick, DeVries, Dreyer, Dykstra, Faehn, Gilson, Hackl, Hanks, Haverly, Heineman, Hills, Howie, Hunt, Jerke, Juhnke, Kirkeby, Koistinen, Krebs, Lust, McLaughlin, Nelson, Noem, Novstrup (Al), Novstrup (David), Olson (Betty), Olson (Russell), Olson (Ryan), Pederson (Gordon), Peters, Pitts, Putnam, Rausch, Rave, Rounds, Steele, Tidemann, Turbiville, Van Etten, Vanneman, Vehle, Weems, Wick, and Willadsen

1 FOR AN ACT ENTITLED, An Act to define the status of principal in the education
2 enhancement trust fund and the health care trust fund.

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

4 Section 1. That chapter 4-5 be amended by adding thereto a NEW SECTION to read as
5 follows:

6 No moneys to be deposited in the education enhancement trust fund which accrued to the
7 fund pursuant to § 10-50-52 may be deemed as principal unless the Legislature has specifically
8 designated such transfers to be principal. The Commissioner of the Bureau of Finance and
9 Management may transfer such money to the state general fund for education enhancement
10 programs as provided by law.

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



1 4-5-29.2. Pursuant to S.D. Const., Art. XII, § 6, the state investment officer shall determine
2 the market value of the education enhancement trust fund as of December 31, 2003, and each
3 calendar year thereafter less the investment expenses transferred pursuant to § 4-5-30. The state
4 investment officer shall calculate an amount equal to four percent of that market value, without
5 invading principal, as eligible for distribution. For the purpose of this section, the term,
6 principal, means the sum of all contributions to the fund except those received pursuant to § 10-
7 50-52 unless so designated by the Legislature. Beginning with the distribution in fiscal year
8 2008, the market value shall be determined by adding the market value of the trust fund at the
9 end of the sixteen most recent calendar quarters as of December thirty-first, and dividing the
10 sum by sixteen. Upon notice of that amount by the state investment officer, the state treasurer
11 shall transfer the amount from the education enhancement trust fund to the state general fund
12 as soon as practicable after July first of the next fiscal year.

13 Section 3. That chapter 4-8 be amended by adding thereto a NEW SECTION to read as
14 follows:

15 No moneys to be deposited in the health care trust fund which accrued to the fund pursuant
16 to § 10-50-52 may be deemed as principal unless the Legislature has specifically designated
17 such transfers to be principal. The Commissioner of the Bureau of Finance and Management
18 may transfer such money to the state general fund for education enhancement programs as
19 provided by law.

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

21 4-5-29.1. Pursuant to S.D. Const., Art. XII, § 5, the state investment officer shall determine
22 the market value of the health care trust fund as of December 31, 2003, and each calendar year
23 thereafter less the investment expenses transferred pursuant to § 4-5-30. The state investment
24 officer shall calculate an amount equal to four percent of that market value, without invading

1 principal, as eligible for distribution. For the purpose of this section, the term, principal, means
2 the sum of all contributions to the fund except those received pursuant to § 10-50-52 unless so
3 designated by the Legislature. Beginning with the distribution in fiscal year 2008, the market
4 value shall be determined by adding the market value of the trust fund at the end of the sixteen
5 most recent calendar quarters as of December thirty-first, and dividing the sum by sixteen. Upon
6 notice of that amount by the state investment officer, the state treasurer shall transfer the amount
7 from the health care trust fund to the state general fund as soon as practicable after July first of
8 the next fiscal year.