

1 PROPOSAL TO AMEND UTAH CONSTITUTION - STATE

2 SCHOOL FUND

3 2023 GENERAL SESSION

4 STATE OF UTAH

5 Chief Sponsor: Jefferson Moss

6 Senate Sponsor: Ann Millner

8 LONG TITLE

9 General Description:

10 This joint resolution of the Legislature proposes to amend the Utah Constitution
11 relating to the State School Fund.

12 Highlighted Provisions:

13 This resolution proposes to amend the Utah Constitution to:

- 14 ▶ change the limit on annual distributions from the State School Fund from 4% to 5%.

15 Special Clauses:

16 This resolution directs the lieutenant governor to submit this proposal to voters.

17 This resolution provides a contingent effective date of January 1, 2025 for this proposal.

18 Utah Constitution Sections Affected:

19 AMENDS:

20 **ARTICLE X, SECTION 5**

22 *Be it resolved by the Legislature of the state of Utah, two-thirds of all members elected to each*
23 *of the two houses voting in favor thereof:*

24 Section 1. It is proposed to amend Utah Constitution, Article X, Section 5, to read:

25 **Article X, Section 5. [State School Fund and Uniform School Fund --**

26 **Establishment and use -- Debt guaranty.]**

27 (1) There is established a permanent State School Fund which consists of:

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

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

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

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

35 (e) revenues appropriated by the Legislature; and

36 (f) other revenues and assets received by the permanent State School Fund under any
37 other provision of law or by bequest or donation.

38 (2) (a) The permanent State School Fund shall be prudently invested by the state and
39 shall be held by the state in perpetuity.

40 (b) Only earnings received from investment of the permanent State School Fund may
41 be distributed from the fund, and any distribution from the fund shall be for the support of the
42 public education system as defined in Article X, Section 2 of this constitution.

43 (c) Annual distributions from the permanent State School Fund under Subsection
44 (2)(b) may not exceed [~~4%~~] 5% of the fund, calculated as provided by statute.

45 (d) The Legislature may make appropriations from school trust land revenues to
46 provide funding necessary for the proper administration and management of those lands
47 consistent with the state's fiduciary responsibilities towards the beneficiaries of the school land
48 trust. Unexpended balances remaining from the appropriation at the end of each fiscal year
49 shall be deposited in the permanent State School Fund.

50 (e) The permanent State School Fund shall be guaranteed by the state against loss or
51 diversion.

52 (3) There is established a Uniform School Fund which consists of:

53 (a) money from the permanent State School Fund;

54 (b) revenues appropriated by the Legislature; and

55 (c) other revenues received by the Uniform School Fund under any other provision of
56 law or by donation.

57 (4) The Uniform School Fund shall be maintained and used for the support of the

58 state's public education system as defined in Article X, Section 2 of this constitution and
59 apportioned as the Legislature shall provide.

60 (5) (a) Notwithstanding Article VI, Section 29, the State may guarantee the debt of
61 school districts created in accordance with Article XIV, Section 3, and may guarantee debt
62 incurred to refund the school district debt. Any debt guaranty, the school district debt
63 guaranteed thereby, or any borrowing of the state undertaken to facilitate the payment of the
64 state's obligation under any debt guaranty shall not be included as a debt of the state for
65 purposes of the 1.5% limitation of Article XIV, Section 1.

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

70 Section 2. **Submittal to voters.**

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

73 Section 3. **Contingent effective date.**

74 If the amendment proposed by this joint resolution is approved by a majority of those
75 voting on it at the next regular general election, the amendment shall take effect on January 1,
76 2025.