

HOUSE JOINT RESOLUTION NO. HJ0006

Common school account-investments and distributions.

Sponsored by: Select Committee on Capital Financing &
Investments

A JOINT RESOLUTION

for

1 A JOINT RESOLUTION proposing to amend the Wyoming
2 Constitution to modify and modernize the common school
3 account within the permanent land fund; requiring that all
4 common school account earnings be transferred to a separate
5 earnings fund; specifying actions and uses of the common
6 school account's earnings; and requiring that the legislature
7 provide a means for making whole any investment losses to the
8 common school account.

9

10 *BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF WYOMING,*
11 *two-thirds of all the members of the two houses, voting*
12 *separately, concurring therein:*

13

14 **Section 1.** The following proposal to amend Article 7,
15 Sections 2, 6, 7, 8 and 9 and Article 18, Section 6 of the

1 Wyoming Constitution is proposed for submission to the
2 electors of the State of Wyoming at the next general election
3 for approval or rejection to become valid as a part of the
4 Constitution if ratified by a majority of the electors at the
5 election:

6

7 **Article 7, Section 2. School revenues.**

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9 The following are declared to be perpetual funds for school
10 purposes, of which the ~~annual income~~ earnings only can be
11 appropriated, to wit: Such per centum as has been or may
12 hereafter be granted by congress on the sale of lands in this
13 state; all moneys arising from the sale or lease of sections
14 number sixteen and thirty-six in each township in the state,
15 and the lands selected or that may be selected in lieu
16 thereof; the proceeds of all lands that have been or may
17 hereafter be granted to this state, where by the terms and
18 conditions of the grant, the same are not to be otherwise
19 appropriated; the net proceeds of lands and other property
20 and effects that may come to the state by escheat or
21 forfeiture, or from unclaimed dividends or distributive
22 shares of the estates of deceased persons; all moneys, stocks,
23 bonds, lands and other property now belonging to the common

1 school funds. Provided, that the rents for the ordinary use
2 of said lands shall be applied to the support of public
3 schools and, when authorized by general law, not to exceed
4 thirty-three and one-third (33 1/3) per centum of oil, gas,
5 coal, or other mineral royalties arising from the lease of
6 any said school lands may be so applied.

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8 **Article 7, Section 6. State to keep school funds;**
9 **investment.**

10

11 (a) All funds belonging to the state for public school
12 purposes, the ~~interest and income~~ earnings of which only are
13 to be used, shall be deemed trust funds in the care of the
14 state, which shall keep them for the exclusive benefit of the
15 public schools. The legislature shall provide by law for the
16 investment of such trust funds, subject to the following:

17

18 (i) Earnings, which may include both realized and
19 unrealized gains as prescribed by the legislature, shall be
20 deposited or credited by the state treasurer in a separate
21 earnings fund on not less than an annual basis;

22

1 (ii) Earnings in the separate earnings fund may be
2 invested or distributed as required by law;

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4 (iii) The legislature shall prescribe by law the
5 manner, means and timing for supplying losses to the perpetual
6 funds belonging to the state for public school purposes.

7
8 **Article 7, Section 7. Application of school funds.**

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10 The ~~income~~-earnings arising from the funds mentioned in the
11 preceding section, together with all the rents of the unsold
12 school lands and such other means as the legislature may
13 provide, shall be exclusively applied to the support of free
14 schools in every county in the state.

15
16 **Article 7, Section 8. Distribution of school funds.**

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18 Provision shall be made by general law for the equitable
19 allocation of ~~such income~~-earnings among all school districts
20 in the state. But no appropriation shall be made from said
21 fund to any district for the year in which a school has not
22 been maintained for at least three (3) months; nor shall any
23 portion of any public school fund ever be used to support or

1 assist any private school, or any school, academy, seminary,
2 college or other institution of learning controlled by any
3 church or sectarian organization or religious denomination
4 whatsoever.

5

6 **Article 7, Section 9. Taxation for schools.**

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8 The legislature shall make such further provision by taxation
9 or otherwise, as with the ~~income~~-earnings arising from the
10 general school fund will create and maintain a thorough and
11 efficient system of public schools, adequate to the proper
12 instruction of all youth of the state, between the ages of
13 six and twenty-one years, free of charge; and in view of such
14 provision so made, the legislature shall require that every
15 child of sufficient physical and mental ability shall attend
16 a public school during the period between six and eighteen
17 years for a time equivalent to three years, unless educated
18 by other means.

19

20 **Article 18, Section 6. Disposition of unexpended**
21 **earnings of perpetual school fund.**

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1 If any portion of the ~~interest or income~~ earnings of the
2 perpetual school fund be not expended during any year, said
3 portion shall be retained in the separate earnings fund
4 created by article 7, section 6(a)(i) of this constitution or
5 added to and become a part of the ~~said perpetual~~ school fund,
6 as provided by law.

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8 **Section 2.** That the Secretary of State shall endorse
9 the following statement on the proposed amendment:

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11 When Wyoming joined the Union in 1890, the federal government
12 granted certain lands to the state for public-school
13 purposes. The proceeds from the sale and rental of those lands
14 constitute a perpetual school fund (the Common School Account
15 within the Permanent Land Fund), which is one of Wyoming's
16 permanent funds that holds public money for the benefit of
17 current and future generations. Currently, the interest and
18 income from that perpetual fund must be used for the exclusive
19 benefit of the public schools in Wyoming. The Constitution
20 does not currently specify the use or disposition of gains,
21 including those from investments.

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1 This amendment would clarify the inviolate nature of the
2 perpetual school fund by specifying that decreases to the
3 perpetual fund's value caused by investment losses must be
4 made whole. The Legislature would be required to adopt laws
5 to provide for the means and timing for doing so. This
6 amendment would also clarify that all earnings—and not just
7 income and interest—must be deposited in a separate fund for
8 expenditure for the exclusive benefit of the public schools
9 in Wyoming. Any earnings that are unspent during any year
10 must be retained in the separate earnings fund or added to
11 the perpetual school fund as provided by law.

12

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(END)