88R6959 KJE-D

By:  Perry S.J.R. No. 69

A JOINT RESOLUTION

proposing a constitutional amendment dedicating to the national research university fund a portion of certain income from the lease for oil and gas exploration of land dedicated to the permanent university fund.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1.  Section 11a, Article VII, Texas Constitution, is amended to read as follows:

Sec. 11a.  (a) In addition to the bonds enumerated in Section 11 of this article [~~Article VII of the Constitution of the State of Texas~~], the Board of Regents of The University of Texas System may invest the Permanent University Fund in securities, bonds or other obligations issued, insured, or guaranteed in any manner by the United States Government, or any of its agencies, and in such bonds, debentures, or obligations, and preferred and common stocks issued by corporations, associations, or other institutions as the Board of Regents of The University of Texas System may deem to be proper investments for said funds; provided, however, that not more than one per cent (1%) of said fund shall be invested in the securities of any one (1) corporation, nor shall more than five per cent (5%) of the voting stock of any one (1) corporation be owned; provided, further, that stocks eligible for purchase shall be restricted to stocks of companies incorporated within the United States which have paid dividends for five (5) consecutive years or longer immediately prior to the date of purchase and which, except for bank stocks and insurance stocks, are listed upon an exchange registered with the Securities and Exchange Commission or its successors.

(b)  In making each and all of such investments, the [~~said~~] Board of Regents of The University of Texas System shall exercise the judgment and care under the circumstances then prevailing which men of ordinary prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income therefrom as well as the probable safety of their capital.

(c)  The interest, dividends and other income accruing from the investments of the Permanent University Fund are [~~, except the portion thereof which is appropriated by the operation of Section 18 of Article VII for the payment of principal and interest on bonds or notes issued thereunder, shall be~~] subject to appropriation by the Legislature to accomplish the purposes declared in Section 10 of this article, except for:

(1)  the portion distributed to the Available University Fund under Section 18 of this article for appropriation as provided by that section; and

(2)  the portion of any bonus, rental, or royalty payments accruing from the lease for oil and gas exploration of land dedicated to the Permanent University Fund that is deposited to the credit of the national research university fund as required by Section 20(b-1) of this article [~~Article VII of this Constitution~~].

(d)  This amendment shall be self-enacting, and shall become effective upon its adoption, provided, however, that the Legislature shall provide by law for full disclosure of all details concerning the investments in corporate stocks and bonds and other investments authorized herein.

SECTION 2.  Section 20, Article VII, Texas Constitution, is amended by adding Subsection (b-1) to read as follows:

(b-1)  The Board of Regents of The University of Texas System shall transmit to the comptroller of public accounts for deposit to the credit of the fund in the manner provided by general law an amount of any bonus, rental, or royalty payments accruing from the lease for oil and gas exploration of land dedicated to the Permanent University Fund equal to the lesser of:

(1)  one-third of the total amount of those payments; or

(2)  $100 million.

SECTION 3.  The following temporary provision is added to the Texas Constitution:

TEMPORARY PROVISION. (a) This temporary provision applies to the constitutional amendment proposed by the 88th Legislature, Regular Session, 2023, dedicating to the national research university fund a portion of certain income from the lease for oil and gas exploration of land dedicated to the permanent university fund.

(b)  The amendments to Sections 11a and 20, Article VII, of this constitution take effect January 1, 2024.

SECTION 4.  This proposed constitutional amendment shall be submitted to the voters at an election to be held November 7, 2023. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment dedicating to the national research university fund a portion of certain income from the lease for oil and gas exploration of land dedicated to the permanent university fund."