

By: Perry

S.J.R. No. 69

A JOINT RESOLUTION

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

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

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

8 Sec. 11a. (a) In addition to the bonds enumerated in  
9 Section 11 of this article [~~Article VII of the Constitution of the~~  
10 ~~State of Texas~~], the Board of Regents of The University of Texas  
11 System may invest the Permanent University Fund in securities,  
12 bonds or other obligations issued, insured, or guaranteed in any  
13 manner by the United States Government, or any of its agencies, and  
14 in such bonds, debentures, or obligations, and preferred and common  
15 stocks issued by corporations, associations, or other institutions  
16 as the Board of Regents of The University of Texas System may deem  
17 to be proper investments for said funds; provided, however, that  
18 not more than one per cent (1%) of said fund shall be invested in the  
19 securities of any one (1) corporation, nor shall more than five per  
20 cent (5%) of the voting stock of any one (1) corporation be owned;  
21 provided, further, that stocks eligible for purchase shall be  
22 restricted to stocks of companies incorporated within the United  
23 States which have paid dividends for five (5) consecutive years or  
24 longer immediately prior to the date of purchase and which, except

1 for bank stocks and insurance stocks, are listed upon an exchange  
2 registered with the Securities and Exchange Commission or its  
3 successors.

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

12 (c) The interest, dividends and other income accruing from  
13 the investments of the Permanent University Fund are [~~except the~~  
14 ~~portion thereof which is appropriated by the operation of Section~~  
15 ~~18 of Article VII for the payment of principal and interest on bonds~~  
16 ~~or notes issued thereunder, shall be] subject to appropriation by  
17 the Legislature to accomplish the purposes declared in Section 10  
18 of this article, except for:~~

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

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

27 (d) This amendment shall be self-enacting, and shall become

1 effective upon its adoption, provided, however, that the  
2 Legislature shall provide by law for full disclosure of all details  
3 concerning the investments in corporate stocks and bonds and other  
4 investments authorized herein.

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

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

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

14 or

15 (2) \$100 million.

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

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

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

26 SECTION 4. This proposed constitutional amendment shall be  
27 submitted to the voters at an election to be held November 7, 2023.

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1 The ballot shall be printed to permit voting for or against the  
2 proposition: "The constitutional amendment dedicating to the  
3 national research university fund a portion of certain income from  
4 the lease for oil and gas exploration of land dedicated to the  
5 permanent university fund."