S. J. R. No. 3

Parkhouse
Hardeman
Moore

BY _____

S. J. R. No. 3

A JOINT RESOLUTION

proposing an amendment to Subsection (a) of Section 62, Article XVI of the Constitution of Texas, relating to establishment of a retirement, disability and death compensation fund for officers and employees of the State, so as to create as an agency of the State of Texas the Employees Retirement System of Texas, vesting the general administration and responsibility of the proper operation of said system in a state board of trustees to be known as the State Board of Trustees of the Employees Retirement System of Texas, authorizing said Board to invest assets of said system in various obligations and subjects of investment, subject to certain restrictions stated therein and such other restrictions as may hereafter be provided by law; providing that contributions of members and the State shall not exceed at any time six per centum (6%) of the compensation paid to each such person by the State; providing that such Amendment shall be self-enacting; providing for the necessary election, form of ballot, proclamation, and publication.

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

Section 1. That Subsection (a) of Section 62, Article XVI of the Constitution of the State of Texas be amended so as to read hereafter as follows:

"Section 62. (a) The Legislature shall have the authority to levy taxes to provide a State Retirement, Disability and Death Compensation Fund for the officers and employees of the State, and may make such reasonable inclusions, exclusions, or classifications of officers and employees of this State as it deems advisable. The

S.J.R. No. 3

Legislature may also include officers and employees of judicial districts of the State who are or have been compensated in whole or in part directly or indirectly by the State, and may make such other reasonable inclusions, exclusions, or classification of officers and employees of judicial districts of this State as it deems advisable. Persons participating in a retirement system created pursuant to Section 1-a of Article V of this Constitution shall not be eligible to participate in the Fund authorized in this Subsection; and persons participating in a retirement system created pursuant to Section 48-a of Article III of this Constitution shall not be eligible to participate in the Fund authorized in this Subsection except as permitted by Section 63 of Article XVI of this Constitution. Provided, however, any officer or employee of a county as provided for in Article XVI, Section 62, Subsection (b) of this Constitution, shall not be eligible to participate in the Fund authorized in this Subsection, except as otherwise provided herein. The amount contributed by the State to such Fund shall equal the amount paid for the same purpose from the income of each such person, and shall not exceed at any time six per centum (6%) of the compensation paid to each such person by the State.

There is hereby created as an agency of the State of Texas the Employees Retirement System of Texas, the rights of membership in which, the retirement privileges and benefits thereunder, and the management and operations of which shall be governed by the provisions herein contained and by present or hereafter enacted Acts

S.J.R No. 3

of the Legislature not inconsistent herewith. The general administration and responsibility for the proper operation of said system are hereby vested in a State Board of Trustees, to be known as the State Board of Trustees of the Employees Retirement System of Texas, which Board shall be constituted and shall serve as may now or hereafter be provided by the Legislature. Said Board shall exercise such powers as are herein provided together with such other powers and duties not inconsistent herewith as may be prescribed by the Legislature. All moneys from whatever source coming into the Fund and all other securities, moneys, and assets of the Employees Retirement System of Texas shall be administered by said Board and said Board shall be the trustees thereof. The Treasurer of the State of Texas shall be custodian of said moneys and securities. Said Board is hereby authorized and empowered to acquire, hold, manage, purchase, sell, assign, trade, transfer, and dispose of any securities, evidences of debt, and other investments in which said securities, moneys, and assets have been or may hereafter be invested by said Board. Said Board is hereby authorized and empowered to invest and reinvest any of said moneys, securities, and assets, as well as the proceeds of any of such investments, in bonds, notes, or other evidences of indebtedness issued, or assumed or guaranteed in whole or in part, by the United States or any agency of the United States, or by the State of Texas, or by any county, city, school district, municipal corporation, or other political subdivision of the State of Texas, both general and special obligations; or in home office facilities to be used in administering the Employees Retirement System including land, equipment, and

S. J. R. No. 3

office building; or in such corporation bonds, notes, other evidences of indebtedness, and corporation stocks, including common and preferred stocks, of any corporation created or existing under the laws of the United States or of any of the states of the United States, as said Board may deem to be proper investments; provided that in making each and all of such investments said Board 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 probable safety of their capital; and further provided, that a sufficient sum shall be kept on hand to meet payments as they become due each year under such retirement plan, as may now or hereafter be provided by law. Unless investments authorized herein are hereafter further restricted by an Act of the Legislature, no more than one per cent (1%) of the book value of the total assets of the Employees Retirement System shall be invested in the stock of any one (1) corporation, nor shall more than five per cent (5%) of the voting stock of any one (1) corporation be owned; and provided further, that stocks eligible for purchase shall be restricted to stocks of companies incorporated within the United States which have paid cash dividends for ten (10) 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; and provided further, that not less than twenty-five per cent (25%) at any one time of the book value of investments of said fund shall

be invested in Government and Municipal Securities as enumerated above. This Amendment shall be self-enacting and shall become effective immediately upon its adoption without any enabling legislation.

Sec~~tion~~ 2. The foregoing Constitutional Amendment shall be submitted to a vote of the qualified electors of this state at an election to be held on November 7, 1967, at which election all ballots shall have printed thereon the following:

"FOR the Constitutional Amendment amending Subsection (a) of Section 62, Article XVI of the Constitution of the State of Texas relating to the Employees Retirement Fund and the Employees Retirement System of Texas, revising provisions for investments of moneys and other assets of the Fund, and changing other existing provisions and making other new provisions with respect to the administration of the Employees Retirement System."

"AGAINST the Constitutional Amendment amending Subsection (a) of Section 62, Article XVI of the Constitution of the State of Texas relating to the Employees Retirement Fund and the Employees Retirement System of Texas, revising provisions for investments of moneys and other assets of the Fund, and changing other existing provisions and making other new provisions with respect to the administration of the Employees Retirement System."

Sec~~tion~~ 3. The Governor of Texas shall issue the necessary Proclamation for the election and this Amendment shall be published in the manner and for the length of time required by the Constitution and laws of this state.

Austin, Texas

Feb. 15, , 19 67

Hon. Preston Smith
President of the Senate

Sir:

We, your Committee on CONSTITUTIONAL AMENDMENTS,

to which was referred SJR ~~H~~B. No. 3, have had the same

under consideration, and I am instructed to report it back to

the Senate with the recommendation that it do _____

pass _____ and be _____ printed.

Moore

Chairman

CAS

By: Parkhouse, Hardeman, Moore
Herring, Aikin

S. J. R. No. 3

A JOINT RESOLUTION

proposing an amendment to Subsection (a) of Section 62, Article XVI of the Constitution of Texas, relating to establishment of a retirement, disability and death compensation fund for officers and employees of the state, so as to create as an agency of the State of Texas the Employees Retirement System of Texas, vesting the general administration and responsibility of the proper operation of said system in a state board of trustees to be known as the State Board of Trustees of the Employees Retirement System of Texas, authorizing said Board to invest assets of said system in various obligations and subjects of investment, subject to certain restrictions stated therein and such other restrictions as may hereafter be provided by law; providing that contributions of members and the state shall not exceed at any time six per centum (6%) of the compensation paid to each such person by the state; providing that such Amendment shall be self-enacting; providing for the necessary election, form of ballot, proclamation, and publication.

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

Section 1. That Subsection (a) of Section 62, Article XVI of the Constitution of the State of Texas be amended so as to read hereafter as follows:

"Section 62. (a) The Legislature shall have the authority to levy taxes to provide a State Retirement, Disability and Death Compensation Fund for the officers and employees of the state, and may make such reasonable inclusions, exclusions, or classifications of officers and employees of this state as it deems advisable. The

Legislature may also include officers and employees of judicial districts of the state who are or have been compensated in whole or in part directly or indirectly by the state, and may make such other reasonable inclusions, exclusions, or classification of officers and employees of judicial districts of this state as it deems advisable. Persons participating in a retirement system created pursuant to Section 1-a of Article V of this Constitution shall not be eligible to participate in the Fund authorized in this Subsection; and persons participating in a retirement system created pursuant to Section 48-a of Article III of this Constitution shall not be eligible to participate in the Fund authorized in this Subsection except as permitted by Section 63 of Article XVI of this Constitution. Provided, however, any officer or employee of a county as provided for in Article XVI, Section 62, Subsection (b) of this Constitution, shall not be eligible to participate in the Fund authorized in this Subsection, except as otherwise provided herein. The amount contributed by the State to such Fund shall equal the amount paid for the same purpose from the income of each such person, and shall not exceed at any time six per centum (6%) of the compensation paid to each such person by the State.

There is hereby created as an agency of the State of Texas the Employees Retirement System of Texas, the rights of membership in which, the retirement privileges and benefits thereunder, and the management and operations of which shall be governed by the provisions herein contained and by present or hereafter enacted Acts

of the Legislature not inconsistent herewith. The general administration and responsibility for the proper operation of said system are hereby vested in a State Board of Trustees, to be known as the State Board of Trustees of the Employees Retirement System of Texas, which Board shall be constituted and shall serve as may now or hereafter be provided by the Legislature. Said Board shall exercise such powers as are herein provided together with such other powers and duties not inconsistent herewith as may be prescribed by the Legislature. All moneys from whatever source coming into the Fund and all other securities, moneys, and assets of the Employees Retirement System of Texas shall be administered by said Board and said Board shall be the trustees thereof. The Treasurer of the State of Texas shall be custodian of said moneys and securities. Said Board is hereby authorized and empowered to acquire, hold, manage, purchase, sell, assign, trade, transfer, and dispose of any securities, evidences of debt, and other investments in which said securities, moneys, and assets have been or may hereafter be invested by said Board. Said Board is hereby authorized and empowered to invest and reinvest any of said moneys, securities, and assets, as well as the proceeds of any of such investments, in bonds, notes, or other evidences of indebtedness issued, or assumed or guaranteed in whole or in part, by the United States or any agency of the United States, or by the State of Texas, or by any county, city, school district, municipal corporation, or other political subdivision of the State of Texas, both general and special obligations; or in home office facilities to be used in administering the Employees Retirement System including land, equipment, and office building; or in such

corporation bonds, notes, other evidences of indebtedness, and corporation stocks, including common and preferred stocks, of any corporation created or existing under the laws of the United States or of any of the states of the United States, as said Board may deem to be proper investments; provided that in making each and all of such investments said Board 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 probable safety of their capital; and further provided, that a sufficient sum shall be kept on hand to meet payments as they become due each year under such retirement plan, as may now or hereafter be provided by law. Unless investments authorized herein are hereafter further restricted by an Act of the Legislature, no more than one per cent (1%) of the book value of the total assets of the Employees Retirement System shall be invested in the stock of any one (1) corporation, nor shall more than five per cent (5%) of the voting stock of any one (1) corporation be owned; and provided further, that stocks eligible for purchase shall be restricted to stocks of companies incorporated within the United States which have paid cash dividends for ten (10) 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; and provided further, that not less than twenty-five per cent (25%) at any one time of the book value of investments of said fund shall

be invested in Government and Municipal Securities as enumerated above. This Amendment shall be self-enacting and shall become effective immediately upon its adoption without any enabling legislation.

Sec. 2. The foregoing Constitutional Amendment shall be submitted to a vote of the qualified electors of this state at an election to be held on November 7, 1967, at which election all ballots shall have printed thereon the following:

"FOR the Constitutional Amendment amending Subsection (a) of Section 62, Article XVI of the Constitution of the State of Texas relating to the Employees Retirement Fund and the Employees Retirement System of Texas, revising provisions for investments of moneys and other assets of the Fund, and changing other existing provisions and making other new provisions with respect to the administration of the Employees Retirement System."

"AGAINST the Constitutional Amendment amending Subsection (a) of Section 62, Article XVI of the Constitution of the State of Texas relating to the Employees Retirement Fund and the Employees Retirement System of Texas, revising provisions for investments of moneys and other assets of the Fund, and changing other existing provisions and making other new provisions with respect to the administration of the Employees Retirement System."

Sec. 3. The Governor of Texas shall issue the necessary Proclamation for the election and this Amendment shall be published in the manner and for the length of time required by the Constitution and laws of this state.

FORM A

(For favorable and unfavorable reports on bills and resolutions, where no committee amendments are recommended.)

COMMITTEE REPORT

Date April 18, 1967

HON. BEN BARNES,
Speaker of the House of Representatives.

SIR:

We, your Committee on Constitutional Amendments, to whom was referred SJR No. 3, have had the same under consideration and beg to report back with recommendation that it (do) pass.

Chairman.

S. J. R. No. 3

A JOINT RESOLUTION

proposing an amendment to Subsection (a) of Section 62, Article XVI of the Constitution of Texas, relating to establishment of a retirement, disability and death compensation fund for officers and employees of the state, so as to create as an agency of the State of Texas the Employees Retirement System of Texas, vesting the general administration and responsibility of the proper operation of said system in a state board of trustees to be known as the State Board of Trustees of the Employees Retirement System of Texas, authorizing said Board to invest assets of said system in various obligations and subjects of investment, subject to certain restrictions stated therein and such other restrictions as may hereafter be provided by law; providing that contributions of members and the state shall not exceed at any time six per centum (6%) of the compensation paid to each such person by the state; providing that such Amendment shall be self-enacting; providing for the necessary election, form of ballot, proclamation, and publication.

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Legislature may also include officers and employees of judicial districts of the state who are or have been compensated in whole or in part directly or indirectly by the state, and may make such other reasonable inclusions, exclusions, or classification of officers and employees of judicial districts of this state as it deems advisable. Persons participating in a retirement system created pursuant to Section 1-a of Article V of this Constitution shall not be eligible to participate in the Fund authorized in this Subsection; and persons participating in a retirement system created pursuant to Section 48-a of Article III of this Constitution shall not be eligible to participate in the Fund authorized in this Subsection except as permitted by Section 63 of Article XVI of this Constitution. Provided, however, any officer or employee of a county as provided for in Article XVI, Section 62, Subsection (b) of this Constitution, shall not be eligible to participate in the Fund authorized in this Subsection, except as otherwise provided herein. The amount contributed by the State to such Fund shall equal the amount paid for the same purpose from the income of each such person, and shall not exceed at any time six per centum (6%) of the compensation paid to each such person by the State.

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S. J. R. No. 3

Lieutenant Governor
President of the Senate

Speaker of the House

I hereby certify that S. J. R. No. 3 was passed by the Senate on March 13, 1967, by the following vote: Yeas 28, Nays 0.

Secretary of the Senate

I hereby certify that S. J. R. No. 3 was passed by the House on April 26, 1967, by the following vote: Yeas 148, Nays 0.

Chief Clerk of the House

Approved:

5-2-67 (May 2, 1967)
Date

FILED IN THE OFFICE OF THE SECRETARY OF STATE
4:35pm O'CLOCK
MAY 5 1967

John Connally
Governor

John L. Hill
Secretary of State

FEB 15 1967

Reported Favorably.

MAR 13 1967

Regular order of business suspended by unanimous consent to permit consideration.

MAR 13 1967

READ SECOND TIME

AND ORDERED ENGROSSED

MAR 13 1967

Senate Rules 32 and 45 and Constitutional Rule (Sec. 32, Art. III) suspended by a vote of 28 yeas, 0 nays, to place bill on third reading and final passage.

MAR 13 1967

READ THIRD TIME AND PASSED BY THE FOLLOWING VOTE:

Yeas 28 Nays 0

Charles Schnabel

Secretary of the Senate

19 Engrossed

Engrossing Clerk

S.J.R. 3 BY Hardeman, Moore, Herring

JOINT RESOLUTION

PROPOSING an amendment to Subsection (a) of Section 62, Article XVI of the Constitution of Texas, relating to establishment of a retirement, disability and death compensation fund for officers and employees of the State, so as to create as an agency of the State of Texas the Employees Retirement System of Texas, vesting the general administration and responsibility of the proper operation of said system in a state board of trustees to be known as the State Board of Trustees of the Employees Retirement System of Texas, authorizing said Board to invest assets of said system in various obligations and subjects of investment, subject to certain restrictions stated therein and such other restrictions as may hereafter be provided by law; providing that contributions of members and the State shall not exceed at any time six per centum (6%) of the compensation paid to each such person by the State; providing that such Amendment shall be self-enacting; providing for the necessary election, form of ballot, proclamation, and publication.

JAN 24 1967

Read first time and referred to Committee on Constitutional Amendments

By: Parkhouse, Hardeman
Aikin, Moore, Herring

S. J. R. No. 3

A JOINT RESOLUTION

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1-24-67 Read first time and referred to Committee on Constitutional Amendments.

2-15-67 Reported favorably.

3-13-67 Regular order of business suspended by unanimous consent to permit consideration.

3-13-67 Read second time and ordered engrossed.

3-13-67 Senate Rules 32 and 45 and Constitutional Rule (Sec. 32, Art. III) suspended by a vote of 28 Yeas, 0 Nays, to place bill on third reading and final passage.

3-13-67 Read third time and passed by the following vote: Yeas 28, Nays 0.

Charles Schnabel, Secretary of the Senate

3-13-67 Engrossed.

Essie McGinnis
ENGROSSING CLERK

MAR 14 1967 SENT TO HOUSE

MAR 14 1967

Received from the Senate.

Chief Clerk, House of Representatives

Constitutional Amendments

APR 19 1967 REPORTED FAVORABLY SENT TO PRINTER

DELIVERED APR 20 1967 HOUSE OF REPRESENTATIVES

RECEIVED APR 20 1967 HOUSE OF REPRESENTATIVES

PRINTED, DISTRIBUTED AND REFERRED TO COMMITTEE ON APR 20 1967

9:30 A.M.
(Date)

APR 26 1967

_____ Read Second Time, _____ ~~and~~ passed to third reading and adopted by vote 148 ayes, 0 noes.

Dorothy Hallman

Chief Clerk, House of Representatives

APR 26 1967

_____ MOTION TO RECONSIDER THE VOTE BY WHICH S.J.R. # 3 WAS ADOPTED / ~~PASSED~~ AND TO TABLE THE MOTION TO RECONSIDER PREVAILED ~~PASSED~~ BY A Non-Record VOTE ~~OF~~ _____ ~~AYES AND~~ _____ ~~NAYES~~ _____

Dorothy Hallman

CHIEF CLERK HOUSE OF REPRESENTATIVES

APR 26 [illegible] RETURNED TO SENATE

APR 26 1967
RETURNED _____
FROM HOUSE