

STATE OF OKLAHOMA

1st Session of the 49th Legislature (2003)

SENATE JOINT
RESOLUTION 16

By: Lawler

AS INTRODUCED

A Joint Resolution directing the Secretary of State to refer to the people for their approval or rejection proposed amendments to Sections 2 and 3 of Article XI of the Oklahoma Constitution; removing restrictions on the permanent school fund for common schools; changing nature of funds which may be distributed from permanent school fund for certain period of time; removing prohibition on diminishing of permanent school fund; authorizing revenue from certain sources to be placed in permanent school fund for certain period of time; providing distribution requirements for certain period of time; specifying formula for distribution; providing for certain construction; providing ballot title; directing filing; and ordering a special election.

BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE
1ST SESSION OF THE 49TH OKLAHOMA LEGISLATURE:

SECTION 1. The Secretary of State shall refer to the people for their approval or rejection, as and in the manner provided by law, the following proposed amendments to Sections 2 and 3 of Article XI of the Constitution of the State of Oklahoma to read as follows:

Section 2. All proceeds of the sale of public lands that have heretofore been or may be hereafter given by the United States for the use and benefit of the common schools of this State, all such per centum as may be granted by the United States on the sales of public lands, the sum of five million dollars appropriated to the State for the use and benefit of the common schools in lieu of sections sixteen and thirty-six, and other lands of the Indian Territory, the proceeds of all property that shall fall to the State by escheat, the proceeds of all gifts or donations to the State for

common schools not otherwise appropriated by the terms of the gifts, and such other appropriations, gifts, or donations as shall be made by the Legislature for the benefit of the common schools, shall constitute the permanent school fund, the income from which shall be used for the maintenance of the common schools in the State. For fiscal years beginning July 1, 2004, July 1, 2005, and July 1, 2006, all earnings, including interest, dividends and capital gains from investment of the fund shall be credited to the principal of the fund. The principal shall be deemed a trust fund held by the State, ~~and shall forever remain inviolate. It may be increased, but shall never be diminished.~~ The State shall reimburse said permanent school fund for all losses thereof which may in any manner occur, and no portion of said fund shall be diverted for any other use or purpose.

Section 3. ~~The~~ A. Except as provided in subsection B, the interest and income of the permanent school fund, the net income from the leasing of public lands which have been or may be granted by the United States to the State for the use and benefit of the common schools, together with any revenues derived from taxes authorized to be levied for such purposes, and any other sums which may be added thereto by law, shall be used and applied each year for the benefit of the common schools of the State, and shall be, for this purpose, apportioned among and between all the several common school districts of the State in proportion to the school population of the several districts, and no part of the fund shall ever be diverted from this purpose, or used for any other purpose than the support and maintenance of common schools for the equal benefit of all the people of the State.

B. For fiscal years beginning July 1, 2004, July 1, 2005, and July 1, 2006, the amount of the annual distribution shall be between ten percent (10%) and fifteen percent (15%) of the average of the year-end market value of the funds for the immediately preceding

five (5) fiscal years; provided, any amounts paid as part of the annual distribution shall not be construed as losses for purposes of Section 2 of this article.

C. The frequency of the distributions, percentage of distributions and definition of market value pursuant to subsection B of this section shall be as provided by law.

SECTION 2. The Ballot Title for the proposed Constitutional amendments as set forth in SECTION 1 of this resolution shall be in the following form:

BALLOT TITLE

Legislative Referendum No. _____ State Question No. _____

THE GIST OF THE PROPOSITION IS AS FOLLOWS:

This measure would amend the State Constitution. It would amend Sections 2 and 3 of Article 11. These sections deal with the permanent school fund. The United States established the fund to benefit the State's common schools. This fund is a trust fund. This trust fund must now forever remain intact. The State can never diminish it and the State is not required to add to it. The State now must use the trust fund's income to aid schools.

This measure changes how the State could use the trust fund's income and the trust fund. The measure allows the State to diminish the trust fund to aid schools. The measure requires the State to put the trust fund's income into the trust fund for three years, beginning July 1, 2004. During those three years the State must use between 10% and 15% of the average market value of the fund for the last five years to aid schools. The measure exempts the state from having to reimburse the trust fund for payments made during the three-year period.

SHALL THIS AMENDMENT BE APPROVED BY THE PEOPLE?

YES, FOR THE AMENDMENT

NO, AGAINST THE AMENDMENT

SECTION 3. The President Pro Tempore of the Senate shall, immediately after the passage of this resolution, prepare and file one copy thereof, including the Ballot Title set forth in SECTION 2 hereof, with the Secretary of State and one copy with the Attorney General.

SECTION 4. A special election is hereby ordered to be held throughout the State of Oklahoma on the date of the next statewide election or February 10, 2004, whichever occurs first, at which time the proposed amendments to the Constitution of the State of Oklahoma, as set forth in SECTION 1 of this resolution, shall be submitted to the people of Oklahoma for their approval or rejection as and in the manner provided by law.

49-1-123

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