

THE HOUSE OF REPRESENTATIVES  
Monday, February 9, 2009

House Joint  
Resolution No. 1035

HJR 1035

HOUSE JOINT RESOLUTION NO. 1035 - By: ENNS, FAUGHT AND JOHNSON of the House.

A Joint Resolution directing the Secretary of State to refer to the people for their approval or rejection a proposed amendment to Section 40 of Article X of the Constitution of the State of Oklahoma; limiting amount of funds expended on certain purposes; providing limited amount of funds for adult stem cell research; requiring research to comply with certain regulation; providing for special election; providing ballot title; and directing filing.

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE OF THE 1ST SESSION OF THE 52ND OKLAHOMA LEGISLATURE:

1 SECTION 1. The Secretary of State shall refer to the people for their approval or  
2 rejection, as and in the manner provided by law, the following proposed amendment to  
3 Section 40 of Article X of the Constitution of the State of Oklahoma to read as follows:  
4 Section 40. A. There is hereby created a trust fund to be known as the "Tobacco  
5 Settlement Endowment Trust Fund". The trust fund principal shall consist of the  
6 portion of monies which are received by the State of Oklahoma on or after July 1, 2001,  
7 pursuant to any settlement with or judgment against any tobacco company or companies  
8 as provided by subsection B of this section, and any other monies that may be  
9 appropriated or otherwise directed to the trust fund by the Legislature.

1 B. 1. Deposits into the trust fund from monies which are received by the State of  
2 Oklahoma pursuant to any settlement with or judgment against any tobacco company or  
3 companies shall be based on the following schedule:

<u>Fiscal Year</u>	<u>Minimum Percentage of Payments</u>
Ending June 30, 2002	50%
Ending June 30, 2003	55%
Ending June 30, 2004	60%
Ending June 30, 2005	65%
Ending June 30, 2006	70%
Ending June 30, 2007	75%

12 2. Deposits into the trust fund in subsequent fiscal years shall never be less than  
13 seventy-five percent (75%) of the payments.

14 3. The monies received by the State of Oklahoma pursuant to any settlement with  
15 or judgment against any tobacco company or companies after June 30, 2001, not  
16 deposited into the trust fund as provided in this section, shall be deposited into a special  
17 fund established by the Legislature solely for the purpose of receiving the payments;  
18 provided, the Legislature may, by law, direct a certain portion of such monies to the  
19 Office of the Attorney General. The special fund shall be subject to legislative  
20 appropriations.

21 C. There is hereby created the Board of Investors of the Tobacco Settlement  
22 Endowment Trust Fund. The Board of Investors shall have the duty of investing monies

1 in the trust fund, subject to restrictions and limitations provided by law for and in  
2 accordance with laws applicable to the investment of monies in state retirement funds.

3 The Board of Investors shall consist of five (5) members as follows:

- 4 1. The State Treasurer who shall be the chair;
- 5 2. An appointee of the Governor;
- 6 3. An appointee of the Speaker of the House of Representatives;
- 7 4. An appointee of the President Pro Tempore of the Senate; and
- 8 5. An appointee of the State Auditor and Inspector.

9 The initial appointees shall serve staggered terms of office as provided for by law.  
10 Thereafter, appointees shall serve four-year terms of office. No more than two  
11 appointees shall be appointed from any single congressional district. All appointed  
12 members shall have demonstrated expertise in public or private investment funds  
13 management.

14 D. There is hereby created the Board of Directors of the Tobacco Settlement  
15 Endowment Trust Fund. The Board of Directors shall consist of seven (7) members, one  
16 appointed by each of the following appointing authorities:

- 17 1. The Governor;
- 18 2. The President Pro Tempore of the Senate;
- 19 3. The Speaker of the House of Representatives;
- 20 4. The Attorney General;
- 21 5. The State Treasurer;
- 22 6. The State Auditor and Inspector; and

1           7. The State Superintendent of Public instruction.

2           The initial appointed members shall serve staggered terms of office as provided for  
3 by law. Thereafter, the appointed members of the Board of Directors shall serve seven-  
4 year terms of office. At least one appointee shall be appointed from each congressional  
5 district, and not more than two appointees shall be appointed from any single  
6 congressional district. Not more than four appointees shall be members of the same  
7 political party. An appointee shall have been a member of the political party to which  
8 the appointee belongs for at least one (1) year prior to the date of appointment.  
9 Appointees shall have demonstrated expertise in public or private health care or  
10 programs related to or for the benefit of children or senior adults.

11           The Board of Directors shall meet at least one time each calendar quarter.

12           E. Earnings from the trust fund, including but not limited to interest, dividends,  
13 and realized capital gains from investments of the trust fund shall be expended as  
14 ~~provided in subsection F of this section~~ for the following purposes:

15           1. Clinical Ninety percent (90%) shall be expended as provided in subsection F of  
16 this section on the following:

17           a. clinical and basic research and treatment efforts in Oklahoma for the  
18           purpose of enhancing efforts to prevent and combat cancer and other  
19           tobacco-related diseases;

20           ~~2. Cost-effective,~~

21           b. cost-effective tobacco prevention and cessation programs;

22           ~~3. Programs,~~

1           c.     ~~programs~~ other than those specified in ~~paragraph 1~~ subparagraph a of  
2           this ~~subsection~~ paragraph designed to maintain or improve the health  
3           of Oklahomans or to enhance the provision of health care services to  
4           Oklahomans, with particular emphasis on such programs for children;

5     ~~4. Programs,~~

6           d.     programs and services for the benefit of the children of Oklahoma, with  
7           particular emphasis on common and higher education, before- and  
8           after-school and pre-school programs, substance abuse prevention and  
9           treatment programs and other programs and services designed to  
10          improve the health and quality of life of children;

11    ~~5. Programs,~~

12          e.     programs designed to enhance the health and well-being of senior  
13          adults; and

14    ~~6. Authorized~~

15          f.     authorized administrative expenses of the Office of the State Treasurer  
16          and the Board of Directors; and

17          2. Ten percent (10%) shall be expended by the Oklahoma Legislature on adult stem  
18          cell research in accordance with laws enacted by the Oklahoma Legislature.

19          F. Each fiscal year, the Board of Directors may expend ninety percent (90%) of the  
20          amount of earnings which actually accrued to the trust fund during the preceding fiscal  
21          year. Any of this amount not so expended shall remain in the trust fund. The Board

1 shall direct specific expenditures to be made for the purposes specified in paragraph 1 of  
2 subsection E of this section.

3 G. The Legislature may enact laws to further implement the provisions of this  
4 section.

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

7 BALLOT TITLE

8 Legislative Referendum No. \_\_\_\_ State Question No. \_\_\_\_

9 THE GIST OF THE PROPOSITION IS AS FOLLOWS:

10 This measure amends the Constitution. It amends Section 40 of Article 10. This  
11 section creates the Tobacco Settlement Endowment Trust Fund. This measure  
12 would require that ten percent (10%) be spent on adult stem cell research. The  
13 research would have to comply with the laws enacted by the Oklahoma Legislature.

14 SHALL THE PROPOSAL BE APPROVED?

15 FOR THE PROPOSAL — YES \_\_\_\_\_

16 AGAINST THE PROPOSAL — NO \_\_\_\_\_

17 SECTION 3. A special election is hereby ordered to be held throughout the State of  
18 Oklahoma on the date of November 10, 2009, at which time the proposed amendment to  
19 the Constitution of the State of Oklahoma, as set forth in Section 1 of this resolution,  
20 shall be submitted to the people of Oklahoma for their approval or rejection as and in the  
21 manner provided by law.

1           SECTION 4. The Chief Clerk of the House of Representatives, immediately after  
2 the passage of this resolution, shall prepare and file one copy thereof, including the  
3 Ballot Title set forth in  
4 SECTION 2 hereof, with the Secretary of State and one copy with the Attorney General.  
5 COMMITTEE REPORT BY: COMMITTEE ON RULES, dated 02-05-09 - DO PASS, As  
6 Coauthored.