STATE OF OKLAHOMA

2nd Session of the 55th Legislature (2016)

SENATE JOINT
RESOLUTION 69 By: Marlatt

AS INTRODUCED

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 Oklahoma Constitution; broadening uses of certain fund to include certain purpose; authorizing the Oklahoma Legislature to appropriate certain funds; providing ballot title; and directing filing.

BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE 2ND SESSION OF THE 55TH 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 amendment to Section 40 of Article X of the Oklahoma Constitution to read as follows:

Section 40. A. There is hereby created a trust fund to be known as the "Tobacco Settlement Endowment Trust Fund". The trust fund principal shall consist of the portion of monies which are received by the State of Oklahoma on or after July 1, 2001, pursuant to any settlement with or judgment against any tobacco company or companies as provided by subsection B of this section, and any other

monies that may be appropriated or otherwise directed to the trust fund by the Legislature.

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

Fiscal Year	Minimum Percentage of Payments
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%

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

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

C. There is hereby created the Board of Investors of the Tobacco Settlement Endowment Trust Fund. The Board of Investors shall have the duty of investing monies in the trust fund, subject to restrictions and limitations provided by law for and in accordance with laws applicable to the investment of monies in state retirement funds.

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

1. The State Treasurer who shall be the chair;

2. An appointee of the Governor;

3. An appointee of the Speaker of the House of Representatives;

4. An appointee of the President Pro Tempore of the Senate; and

5. An appointee of the State Auditor and Inspector.

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

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

1. The Governor;

2. The President Pro Tempore of the Senate;

3. The Speaker of the House of Representatives;

4. The Attorney General;

5. The State Treasurer;

6. The State Auditor and Inspector; and

7. The State Superintendent of Public instruction.

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

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

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

1. Clinical and basic research and treatment efforts in Oklahoma for the purpose of enhancing efforts to prevent and combat cancer and other tobacco-related diseases;

2. Cost-effective tobacco prevention and cessation programs;

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

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

5. Programs designed to enhance the health and well-being of senior adults; ~~and~~

6. Authorized administrative expenses of the Office of the State Treasurer and the Board of Directors; and

7. Funding for increases in the salaries of public school teachers in this state.

F. Each fiscal year, the ~~Board of Directors~~ Legislature may ~~expend~~ appropriate the amount of earnings which actually accrued to the trust fund during the preceding fiscal year for the purpose specified in paragraph 7 of subsection E of this section. Any amount not so expended shall remain in the trust fund. The Board

shall direct specific expenditures to be made for the purposes specified in subsection E of this section <u>from the remaining amount not appropriated by the Legislature pursuant to this subsection</u>.

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

SECTION 2. The Ballot Title for the proposed Constitutional amendment 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 amends Section 40 of Article 10 of the State Constitution. Presently, the Board of Directors of the Tobacco Settlement Endowment Trust is authorized to expend earnings from the Tobacco Settlement Endowment Trust Fund for programs that benefit Oklahomans. This measure would authorize the Legislature to appropriate funds from the Trust Fund to increase teacher salaries in this state.

SHALL THE PROPOSAL BE APPROVED?

FOR THE PROPOSAL — YES _____

AGAINST THE PROPOSAL — NO _____

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.

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