

COMMITTEE AMENDMENT
HOUSE OF REPRESENTATIVES
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB1400 _____
Of the printed Bill
Page _____ Section _____ Lines _____
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by
inserting in lieu thereof the following language:

AMEND TITLE TO CONFORM TO AMENDMENTS

Adopted: _____

Amendment submitted by: John Montgomery _____

Reading Clerk

STATE OF OKLAHOMA

2nd Session of the 56th Legislature (2018)

PROPOSED COMMITTEE
SUBSTITUTE
FOR
HOUSE BILL NO. 1400

By: Montgomery

PROPOSED COMMITTEE SUBSTITUTE

An Act relating to public finance; enacting the Oklahoma Vision Act; creating Oklahoma Vision Fund; providing for apportionment of revenues into fund; providing for investment of funds; defining investment earnings; providing for reinvestment of earnings in corpus of fund; providing for use of investment earnings to pay certain expenses; providing for transfer of funds to the Oklahoma Center for the Advancement of Science and Technology; providing for transfer of funds to certain subfunds; providing for alternative apportionment based on income tax collections exceeding certain threshold; providing for transfer of funds to the State Regents for Higher Education; providing for transfer of funds to common school districts; requiring State Auditor and Inspector to perform audit of Oklahoma Vision Fund; prescribing requirements of audit; providing for codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4101 of Title 62, unless there is created a duplication in numbering, reads as follows:

1 This act shall be known and may be cited as the "Oklahoma Vision
2 Act".

3 SECTION 2. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 4102 of Title 62, unless there
5 is created a duplication in numbering, reads as follows:

6 A. There is hereby created in the State Treasury a fund to be
7 known and designated as the "Oklahoma Vision Fund". The fund shall
8 be a continuing fund, not subject to fiscal year limitations.

9 B. The Oklahoma Vision Fund shall consist of:

10 1. Cash derived from carryover amounts after the close of a
11 fiscal year according to the following schedule:

- 12 a. ten percent (10%) of the cash carryover amount with
13 respect to the fiscal year ending June 30, 2018,
- 14 b. twenty percent (20%) of the cash carryover amount with
15 respect to the fiscal year ending June 30, 2019,
- 16 c. thirty percent (30%) of the cash carryover amount with
17 respect to the fiscal year ending June 30, 2020,
- 18 d. forty percent (40%) of the cash carryover amount with
19 respect to the fiscal year ending June 30, 2021, and
- 20 e. fifty percent (50%) of the cash carryover amount with
21 respect to the fiscal year ending June 30, 2020.

22 As used in the paragraph, "cash carryover amount" shall include any
23 amount of an appropriation made to an agency but which was not
24 expended or encumbered by the agency during the fiscal year for

1 which the appropriation was made and which has not lapsed into the
2 fund from which the appropriation was made pursuant to the
3 provisions of Section 55 of Article V of the Oklahoma Constitution;
4 and

5 2. Five percent (5%) of total actual revenue from the gross
6 production tax on oil and gas; and

7 3. Any amounts appropriated by the Legislature; and

8 4. Any amounts accruing to the balance of the subfunds known as
9 the Higher Education Research and Development Fund and the Education
10 Vision Fund.

11 C. The balance of the Oklahoma Vision Fund shall be invested in
12 a manner consistent with the care, skill, prudence and diligence
13 under the circumstances then prevailing that a prudent person acting
14 in a like capacity and familiar with such matters would use in the
15 conduct of an enterprise of a like character and with like aims and
16 by diversifying the investments of the Oklahoma Vision Fund so as to
17 minimize the risk of large losses, unless under the circumstances it
18 is clearly prudent not to do so.

19 SECTION 3. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 4103 of Title 62, unless there
21 is created a duplication in numbering, reads as follows:

22 A. Investment earnings shall consist of any amount returned in
23 the form of interest, dividend income or realized capital gains to
24 the extent applicable.

1 B. Until such time as the ten-year average of total investment
2 earnings for the previous fiscal year shall equal the ten-year
3 moving average of the collections from the personal income tax and
4 corporate income tax as derived from the levy of income tax by
5 Section 2355 of Title 68 of the Oklahoma Statutes, eighty percent
6 (80%) of the investment earnings from the investment of the corpus
7 of the Oklahoma Vision Fund shall be reinvested in the corpus of the
8 Oklahoma Vision Fund. Two percent (2%) of the investment earnings
9 may be used for the administration expenses of the management of the
10 Oklahoma Vision Fund and its subfunds. One percent (1%) of the
11 investment earnings shall be transferred to the Oklahoma Center for
12 the Advancement of Science and Technology. Five percent (5%) of the
13 investment earnings shall be deposited to the credit of a subfund of
14 the Oklahoma Vision Fund to be known as the Higher Education
15 Research and Development Fund. Ten percent (10%) of the investment
16 earnings shall be deposited to the credit of a subfund to be known
17 as the Education Vision Fund.

18 C. At such time that ten-year moving average investment
19 earnings equal the ten-year moving average of personal income and
20 corporate income tax collections to the General Revenue Fund, all
21 apportionments listed in subsection B of this section shall cease to
22 be operative and one percent (1%) of investment earnings may
23 continue to be used by the Office of the State Treasurer to manage
24 the Oklahoma Vision Fund, and an additional five percent (5%) shall

1 continue to be deposited to the credit of the Oklahoma Vision Fund,
2 twenty-five percent (25%) of investment earnings shall be used to
3 remit by June 1 of each year an amount proportional to the amount of
4 income taxes paid for individual income taxpayers in the most recent
5 tax filing period, fifty percent (50%) of investment earnings shall
6 be used to pay an equal amount among all individual income tax
7 filers in the most recent tax filing period, and any remaining funds
8 shall be used to remit taxes paid to corporate income tax filers in
9 the most recent tax filing period.

10 D. The investment earnings generated from the balance of the
11 Higher Education Research and Development Fund shall be transferred
12 to the State Regents for Higher Education and be expended for the
13 purpose of supporting research and development at the state's
14 universities in the fields of health, medicine, pharmaceuticals,
15 drug development, engineering, science or math.

16 E. Seventy-five percent (75%) of the investment earnings
17 generated from the balance of the Education Vision Fund shall be
18 transferred to the common school districts based upon a proportional
19 basis of the most recently available weighted average daily
20 attendance of each school district. Five percent (5%) of the
21 investment earnings shall be reinvested to the corpus of the
22 Education Vision Fund. Twenty percent (20%) of the investment
23 earnings generated from the balance of the Education Vision Fund
24

1 shall be used to provide reduced-price lunches for income-qualified
2 students in the common school districts of the state.

3 SECTION 4. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 4104 of Title 62, unless there
5 is created a duplication in numbering, reads as follows:

6 The State Auditor and Inspector shall conduct an annual audit of
7 the Oklahoma Vision Fund and its subaccounts, all expenditures which
8 are otherwise derived from the Oklahoma Vision Fund, report any
9 findings to the Governor and the Legislature, and make any documents
10 pertaining to the audit publicly accessible.

11 SECTION 5. This act shall become effective July 1, 2018.

12 SECTION 6. It being immediately necessary for the preservation
13 of the public peace, health or safety, an emergency is hereby
14 declared to exist, by reason whereof this act shall take effect and
15 be in full force from and after its passage and approval.

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