

SENATE CHAMBER
STATE OF OKLAHOMA

DISPOSITION

☐ FLOOR AMENDMENT

No. _____

☐ COMMITTEE AMENDMENT

(Date)

Mr./Madame President:

I move to amend Senate Bill No. 896, by substituting the attached floor substitute for the title, enacting clause and entire body of the measure.

Submitted by:

Senator Brecheen

Brecheen-LB-FS-Req#3514
3/13/2018 10:55 AM

(Floor Amendments Only) Date and Time Filed: _____

☐ Untimely

☐ Amendment Cycle Extended

☐ Secondary Amendment

1 STATE OF OKLAHOMA

2 2nd Session of the 56th Legislature (2018)

3 FLOOR SUBSTITUTE
4 FOR

5 SENATE BILL NO. 896

By: Brecheen of the Senate

and

6 Calvey of the House

7
8
9 FLOOR SUBSTITUTE

10 [Tobacco Settlement Endowment Trust Fund - modifying
11 certain apportionment - broadening use of certain
12 funds - conditional effective date]
13

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

15 SECTION 1. AMENDATORY 62 O.S. 2011, Section 50, as
16 amended by Section 1, Chapter 370, O.S.L. 2012 (62 O.S. Supp. 2017,
17 Section 50), is amended to read as follows:

18 Section 50. A. There is hereby created in the State Treasury a
19 revolving fund to be known and designated as the Tobacco Settlement
20 Fund, into which fund shall be deposited:

21 1. All monies received by the state or any official, agency or
22 department of the state in settlement of claims by the state against
23 tobacco manufacturers during the month of April 2000;
24

1 2. All monies received by the state or any official, agency or
2 department of the state in settlement of claims by the state against
3 tobacco manufacturers during fiscal year 2001;

4 3. That portion of monies apportioned to the Tobacco Settlement
5 Fund pursuant to the provisions of subsection B of this section; and

6 4. Such other monies as may be appropriated or otherwise
7 directed thereto by law.

8 The Tobacco Settlement Fund shall be a continuing fund, not
9 subject to fiscal year limitations. No monies shall be paid out of
10 such fund except pursuant to appropriation by the Legislature.

11 B. ~~Monies~~ One hundred percent (100%) of monies received each
12 year by the state or any official, agency or department of the state
13 in settlement of claims by the state against tobacco manufacturers
14 ~~which is not otherwise apportioned pursuant to the provisions of~~
15 ~~Section 40 of Article X of the Oklahoma Constitution~~ shall be
16 apportioned as follows:

17 1. ~~Seventy-five percent (75%)~~ Ninety-three and seventy-five one
18 hundredths percent (93.75%) shall be apportioned to the Tobacco
19 Settlement Fund; ~~and~~

20 2. ~~Twenty-five percent (25%)~~ Six and twenty-five one hundredths
21 percent (6.25%) shall be apportioned to the Attorney General's
22 Evidence Fund.

23 C. From the monies apportioned to the Tobacco Settlement Fund
24 in subsection B of this section, the Legislature shall, by law,

1 direct a certain portion of such monies to the Oklahoma Health Care
2 Authority as may be necessary to replace federal financial
3 participation expenditures, to be distributed to Oklahoma State
4 University and to the University of Oklahoma for the benefit of the
5 Dean's Graduate Medical Education Program, in the same ratio as such
6 funds were provided for such purpose by the Oklahoma Health Care
7 Authority in the previous fiscal year.

8 SECTION 2. AMENDATORY 62 O.S. 2011, Section 2302, is
9 amended to read as follows:

10 Section 2302. The purpose of the Tobacco Settlement Endowment
11 Trust Fund Act is to further implement the provisions of Section 40
12 of Article X of the Oklahoma Constitution that:

13 1. Created the Tobacco Settlement Endowment Trust Fund, the
14 Board of Investors of the Tobacco Settlement Endowment Trust Fund,
15 and the Board of Directors of the Tobacco Settlement Endowment Trust
16 Fund;

17 2. Directs the apportionment of revenues from settlements with
18 or judgments against tobacco companies ~~between the Tobacco~~
19 ~~Settlement Endowment Trust Fund and~~ to a special fund established
20 for the purpose of receiving tobacco settlement payments not
21 deposited to the trust fund, known and designated as the Tobacco
22 Settlement Fund; and

1 3. Authorizes the Board of Directors of the Tobacco Settlement
2 Endowment Trust Fund and the Legislature to expend trust fund
3 earnings for specific purposes.

4 SECTION 3. AMENDATORY 62 O.S. 2011, Section 2303, is
5 amended to read as follows:

6 Section 2303. A. Section 40 of Article X of the Oklahoma
7 Constitution created a trust fund to be known as the "Tobacco
8 Settlement Endowment Trust Fund". The trust fund principal shall
9 consist of the portion of monies which ~~are~~ have been received by the
10 State of Oklahoma ~~on or after July 1, 2001~~ as of December 31, 2018,
11 pursuant to any settlement with or judgment against any tobacco
12 company or companies as provided by subsection B of this section,
13 the Fifty Million Dollars (\$50,000,000.00) transferred to the
14 Tobacco Settlement Endowment Trust Fund pursuant to Section 29,
15 Chapter 8, 1st Extraordinary Session, O.S.L. 2000, and any other
16 monies that may be appropriated or otherwise directed to the trust
17 fund by the Legislature.

18 B. The trust fund principal shall consist of monies which ~~are~~
19 have been received by the State of Oklahoma as of December 31, 2018,
20 and deposited to the trust fund. Notwithstanding any other
21 provisions of law, income and investment return on trust fund
22 principal shall accrue to the trust fund.

1 SECTION 4. AMENDATORY 62 O.S. 2011, Section 2309, as
2 amended by Section 1, Chapter 98, O.S.L. 2015 (62 O.S. Supp. 2017,
3 Section 2309), is amended to read as follows:

4 Section 2309. A. The Board of Directors of the Tobacco
5 Settlement Endowment Trust Fund shall be empowered to:

6 1. Appoint an executive director and other staff necessary to
7 perform the duties of the Board ~~of Directors~~;

8 2. Make and execute contracts and other instruments necessary
9 or convenient to the exercise of its powers on such terms and for
10 such period of time as the Board ~~of Directors~~ shall determine; and

11 3. Promulgate rules in accordance with the Administrative
12 Procedures Act and not inconsistent with the Tobacco Settlement
13 Endowment Trust Fund Act to implement its duties and
14 responsibilities as provided by law.

15 B. Funding for capital expenditures and operating expenses
16 incurred by the University of Oklahoma Health Sciences Center and
17 the Oklahoma State University College of Osteopathic Medicine, for
18 educational programs and residency training to maintain or improve
19 the health of Oklahomans or to enhance the provision of health care
20 services to Oklahomans, is hereby deemed to be an allowable purpose
21 for which earnings from the trust fund may be expended pursuant to
22 the provisions of paragraph 3 of subsection E of Section 40 of
23 Article X of the Oklahoma Constitution. Pursuant to its authority
24 as set forth in subsection G of Section 40 of Article X of the

Oklahoma Constitution, the Legislature hereby authorizes the Board to expend earnings from the trust fund for such purposes, in addition to other purposes provided by law.

C. Financial support as may be necessary to replace federal financial participation expenditures for Oklahoma State University and for the University of Oklahoma for the benefit of the Dean's Graduate Medical Education Program and financial support for the Oklahoma Medicaid program are hereby deemed to be allowable purposes for which earnings from the trust fund may be expended pursuant to the provisions of paragraphs 7 and 8 of subsection E of Section 40 of Article X of the Oklahoma Constitution.

D. The Board shall develop a multiyear strategy by January 1, 2002, and annually update it in order to guide the Board's funding for those programs set forth in Section 40 of Article X of the Oklahoma Constitution. The strategy shall be used to maximize the outcomes of the grants awarded by the Board of Directors.

~~D.~~ E. The Board of Directors shall develop grant programs for private, nonprofit, and public entities for the purposes set forth in Section 40 of Article X of the Oklahoma Constitution.

1. The selection and awarding of grants, whether in the form of professional service contracts or any other funding mechanism developed by the Board of Directors, awarded pursuant to grant programs developed under this subsection, shall be exempt from the requirements of The Oklahoma Central Purchasing Act.

1 2. The Board of Directors shall develop competitive processes
2 for awarding grants under programs developed under this subsection.
3 Such competitive processes for selection shall not be required for
4 contracts awarded for program support services, including, but not
5 limited to, professional service contracts to evaluate, audit or
6 provide budgeting, accounting, auditing or legal services for
7 specific programs or program grantees, contractors or participants.

8 3. The Board of Directors may promulgate rules to assist in the
9 implementation and administration of grant programs developed under
10 this subsection.

11 4. The terms of any request for proposals, request for
12 applications, invitation for bid, bid notice, or grant proposal or
13 any other solicitation issued by the Board of Directors to solicit
14 or invite applications, proposals, bids or responses to obtain
15 funding under grant programs developed under this subsection shall
16 be confidential until the date and time at which the solicitation is
17 to be made equally and uniformly known to all prospective applicants
18 and the public, at which point all such documents and information
19 shall be uniformly known to all prospective applicants and the
20 public, at which point all such documents and information shall be
21 subject to the Oklahoma Open Records Act and Oklahoma Open Meeting
22 Act. Any application, proposal, bid, or any other document to
23 obtain funding responsive to any solicitation of the Board of
24 Directors under grant programs developed under this subsection shall

1 be confidential until the date and time of award of the grant or
2 contract, at which point all such documents and information shall be
3 subject to the Oklahoma Open Records Act and Oklahoma Open Meeting
4 Act. Any unsolicited application, proposal, bid, or any other
5 document to obtain funding shall not be considered to be
6 confidential and shall be subject to the Oklahoma Open Records Act
7 and Oklahoma Open Meeting Act at all times.

8 ~~F.~~ F. The Board of Directors shall encourage grantees to match
9 grant monies awarded with monetary commitments and in-kind matches.

10 ~~F.~~ G. The Board of Directors shall be required to develop a
11 performance evaluation component for the Board of Directors'
12 activities and those of its grantees so that the performance of
13 grantees can be measured by their attainment of outcomes.

14 ~~G.~~ H. The Board of Directors shall contract periodically for
15 performance evaluations. Copies of the evaluations shall be filed
16 with the Governor, the Speaker of the House of Representatives, and
17 the President Pro Tempore of the Senate.

18 ~~H.~~ I. The Board of Directors shall prepare an annual report
19 detailing the Board of Directors' activities and reporting its
20 expenditures and the outcomes achieved by the expenditures. A copy
21 of the report shall be submitted to the Governor, the Speaker of the
22 House of Representatives, and the President Pro Tempore of the
23 Senate.

1 ~~F.~~ J. All records associated with the expenditure of monies
2 received by the Board of Directors or its grantees pursuant to the
3 Tobacco Settlement Endowment Trust Fund Act shall be subject to the
4 Oklahoma Open Records Act.

5 SECTION 5. This act shall become effective upon certification
6 of election returns favoring passage of the Constitutional Amendment
7 proposed in Senate Joint Resolution No. 45 of the 2nd Session of the
8 56th Oklahoma Legislature.

9
10 56-2-3514 LB 3/13/2018 10:55:26 AM

11
12
13
14
15
16
17
18
19
20
21
22
23
24