

SENATE CHAMBER
STATE OF OKLAHOMA

DISPOSITION

☐ FLOOR AMENDMENT

No. _____

☐ COMMITTEE AMENDMENT

(Date)

Mr./Madame President:

I move to amend Senate Joint Resolution No. 45, 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#3509
3/13/2018 10:52 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 JOINT
6 RESOLUTION NO. 45

By: Brecheen of the Senate

and

7 Calvey of the House

8
9 FLOOR SUBSTITUTE

10 [Joint Resolution - Constitutional Amendment -
11 Tobacco Settlement Endowment Trust Fund - filing]
12

13 BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE
14 2ND SESSION OF THE 56TH OKLAHOMA LEGISLATURE:

15 SECTION 1. The Secretary of State shall refer to the people for
16 their approval or rejection, as and in the manner provided by law,
17 the following proposed amendment to Section 40 of Article X of the
18 Oklahoma Constitution to read as follows:

19 Section 40. A. There is hereby created a trust fund to be
20 known as the "Tobacco Settlement Endowment Trust Fund". The trust
21 fund principal shall consist of the portion of monies which ~~are~~ have
22 been received by the State of Oklahoma ~~on or after July 1, 2001~~ as
23 of December 31, 2018, pursuant to any settlement with or judgment
24 against any tobacco company or companies ~~as provided by subsection B~~

1 ~~of this section~~, and any other monies that may be appropriated or
2 otherwise directed to the trust fund by the Legislature.

3 B. ~~1. Deposits into the trust fund from monies which are~~
4 ~~received by the State of Oklahoma pursuant to any settlement with or~~
5 ~~judgment against any tobacco company or companies shall be based on~~
6 ~~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%

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

17 ~~3. The One hundred percent (100%) of the monies received by the~~
18 ~~State of Oklahoma each year pursuant to any settlement with or~~
19 ~~judgment against any tobacco company or companies after June 30,~~
20 ~~2001 not deposited into the trust fund as provided in this section~~
21 ~~December 31, 2018, shall be deposited into a special fund~~
22 ~~established by the Legislature solely for the purpose of receiving~~
23 ~~the payments; provided, the Legislature may, by law, direct a~~
24 ~~certain portion of such monies to the Office of the Attorney~~

1 General. Beginning with fiscal year 2020 and each fiscal year
2 thereafter, the Legislature shall, by law, direct a certain portion
3 of such monies to the Oklahoma Health Care Authority as may be
4 necessary to replace federal financial participation expenditures,
5 to be distributed to Oklahoma State University and to the University
6 of Oklahoma for the benefit of the Dean's Graduate Medical Education
7 Program, in the same ratio as such funds were provided for such
8 purpose by the Oklahoma Health Care Authority in the previous fiscal
9 year. The special fund shall be subject to legislative
10 appropriations.

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

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

- 19 1. The State Treasurer who shall be the chair;
 - 20 2. An appointee of the Governor;
 - 21 3. An appointee of the Speaker of the House of Representatives;
 - 22 4. An appointee of the President Pro Tempore of the Senate; and
 - 23 5. An appointee of the State Auditor and Inspector.
- 24

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

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

- 11 1. The Governor;
- 12 2. The President Pro Tempore of the Senate;
- 13 3. The Speaker of the House of Representatives;
- 14 4. The Attorney General;
- 15 5. The State Treasurer;
- 16 6. The State Auditor and Inspector; and
- 17 7. The State Superintendent of Public instruction.

18 The initial appointed members shall serve staggered terms of
19 office as provided for by law. Thereafter, the appointed members of
20 the Board of Directors shall serve seven-year terms of office. At
21 least one appointee shall be appointed from each congressional
22 district, and not more than two appointees shall be appointed from
23 any single congressional district. Not more than four appointees
24 shall be members of the same political party. An appointee shall

1 have been a member of the political party to which the appointee
2 belongs for at least one (1) year prior to the date of appointment.
3 Appointees shall have demonstrated expertise in public or private
4 health care or programs related to or for the benefit of children or
5 senior adults.

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

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

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

15 2. Cost-effective tobacco prevention and cessation programs;

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

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

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

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

5 7. Financial support as may be necessary to replace federal
6 financial participation expenditures for Oklahoma State University
7 and for the University of Oklahoma for the benefit of the Dean's
8 Graduate Medical Education Program; and

9 8. The Oklahoma Medicaid program.

10 F. Each fiscal year, the Board of Directors may expend up to
11 seventy-five percent (75%) of the amount of earnings which actually
12 accrued to the trust fund during the preceding fiscal year. Each
13 fiscal year, the Legislature may appropriate up to twenty-five
14 percent (25%) of the amount of earnings which actually accrued to
15 the trust fund during the preceding fiscal year to the Oklahoma
16 Health Care Authority for financial support as may be necessary to
17 replace federal financial participation expenditures for Oklahoma
18 State University and for the University of Oklahoma for the benefit
19 of the Dean's Graduate Medical Education Program, and for the
20 Oklahoma Medicaid program, with the higher priority being given to
21 the medical education program. The Board ~~shall~~ may direct specific
22 expenditures to be made for the purposes specified in subsection E
23 of this section from the amount not appropriated by the Legislature
24 pursuant to this subsection.

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

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

6 BALLOT TITLE

7 Legislative Referendum No. _____ State Question No. _____

8 THE GIST OF THE PROPOSITION IS AS FOLLOWS:

9 This measure amends Section 40 of Article 10 of the Oklahoma
10 Constitution. The change modifies the definition of trust fund
11 principal. It deletes the requirement for the annual tobacco
12 settlement payments to the state to be deposited in the trust
13 fund. It modifies the percentage of the annual tobacco
14 settlement payments to the state to be deposited into the
15 Tobacco Settlement Fund. It would allow the annual tobacco
16 settlement payments and earnings from the Tobacco Settlement
17 Endowment Trust Fund to be used to support the Oklahoma State
18 University College of Osteopathic Medicine and the University of
19 Oklahoma College of Medicine and the Oklahoma Medicaid program.
20 This measure would also allow the Legislature to expend earnings
21 from the fund.

22 SHALL THE PROPOSAL BE APPROVED?

23 FOR THE PROPOSAL — YES _____

24 AGAINST THE PROPOSAL — NO _____

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

6
7 56-2-3509 LB 3/13/2018 10:52:20 AM