

**CORRECTED**

**HOUSE OF REPRESENTATIVES - FLOOR VERSION**

STATE OF OKLAHOMA

2nd Session of the 56th Legislature (2018)

COMMITTEE SUBSTITUTE  
FOR  
HOUSE BILL NO. 1400

By: Montgomery and Roberts  
(Dustin) of the House

and

Leewright of the Senate

COMMITTEE SUBSTITUTE

[ public finance - Oklahoma Vision Act - Oklahoma

Vision Fund - effective date -

emergency ]

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:

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

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

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

7       B. The Oklahoma Vision Fund shall consist of:

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

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

20 As used in the paragraph, "cash carryover amount" shall include any  
21 amount of an appropriation made to an agency but which was not  
22 expended or encumbered by the agency during the fiscal year for  
23 which the appropriation was made and which has not lapsed into the  
24 fund from which the appropriation was made pursuant to the

provisions of Section 55 of Article V of the Oklahoma Constitution;  
and

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

3. Any amounts appropriated by the Legislature; and

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

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

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

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

B. Until such time as the ten-year average of total investment  
earnings for the previous fiscal year shall equal the ten-year

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

16 C. At such time that ten-year moving average investment  
17 earnings equal the ten-year moving average of personal income and  
18 corporate income tax collections to the General Revenue Fund, all  
19 apportionments listed in subsection B of this section shall cease to  
20 be operative and one percent (1%) of investment earnings may  
21 continue to be used by the Office of the State Treasurer to manage  
22 the Oklahoma Vision Fund, and an additional five percent (5%) shall  
23 continue to be deposited to the credit of the Oklahoma Vision Fund,  
24 twenty-five percent (25%) of investment earnings shall be used to

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

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

14 E. Seventy-five percent (75%) of the investment earnings  
15 generated from the balance of the Education Vision Fund shall be  
16 transferred to the common school districts based upon a proportional  
17 basis of the most recently available weighted average daily  
18 attendance of each school district. Five percent (5%) of the  
19 investment earnings shall be reinvested to the corpus of the  
20 Education Vision Fund. Twenty percent (20%) of the investment  
21 earnings generated from the balance of the Education Vision Fund  
22 shall be used to provide reduced-price lunches for income-qualified  
23 students in the common school districts of the state.

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

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

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

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

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15 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated  
16 02/27/2018 - DO PASS, As Amended and Coauthored.  
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