

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 56th Legislature (2017)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE JOINT
7 RESOLUTION NO. 1015

By: Biggs

8 COMMITTEE SUBSTITUTE

9 A Joint Resolution directing the Secretary of State
10 to refer to the people for their approval or
11 rejection a proposed amendment to Section 40 of
12 Article X of the Constitution of the State of
13 Oklahoma and adding a new Section 44 to Article X of
14 the Oklahoma Constitution; providing that the Tobacco
15 Settlement Endowment Trust Fund shall cease receiving
16 certain monies on December 31, 2018; creating the
17 Oklahoma Rural Health Care Infrastructure Fund;
18 providing for the transfer of monies held in the
19 Tobacco Settlement Endowment Trust Fund; creating
20 Board of Investors; providing for membership;
21 creating Board of Directors; providing for
22 membership; specifying allocation of funds to certain
23 entities and for certain purposes; authorizing
24 Legislature to enact certain laws; providing ballot
 title; and directing filing.

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE OF THE
1ST SESSION OF THE 56TH 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 the Constitution of the State of

1 Oklahoma, amending Section 40 of Article X of the Oklahoma
2 Constitution and adding a new Section 44 to Article X thereof, to
3 read as follows:

4 Section 40. A. There is hereby created a trust fund to be
5 known as the "Tobacco Settlement Endowment Trust Fund". The trust
6 fund principal shall consist of the portion of monies which are
7 received by the State of Oklahoma on or after July 1, 2001, and
8 ending on December 31, 2018, pursuant to any settlement with or
9 judgment against any tobacco company or companies as provided by
10 subsection B of this section, and any other monies that may be
11 appropriated or otherwise directed to the trust fund by the
12 Legislature.

13 B. 1. Deposits into the trust fund from monies which are
14 received by the State of Oklahoma pursuant to any settlement with or
15 judgment against any tobacco company or companies shall be based on
16 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%

1 2. Deposits into the trust fund in subsequent fiscal years
2 until December 31, 2018, shall never be less than seventy-five
3 percent (75%) of the payments.

4 3. The monies received by the State of Oklahoma pursuant to any
5 settlement with or judgment against any tobacco company or companies
6 after June 30, 2001, not deposited into the ~~trust fund~~ Tobacco
7 Settlement Endowment Trust Fund as provided in this section or the
8 Oklahoma Rural Health Care Infrastructure Fund as provided in
9 Section 44 of Article X of the Oklahoma Constitution, shall be
10 deposited into a special fund established by the Legislature solely
11 for the purpose of receiving the payments; provided, the Legislature
12 may, by law, direct a certain portion of such monies to the Office
13 of the Attorney General. The special fund shall be subject to
14 legislative appropriations.

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

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

- 23 1. The State Treasurer who shall be the chair;
- 24 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

1 district, and not more than two appointees shall be appointed from
2 any single congressional district. Not more than four appointees
3 shall be members of the same political party. An appointee shall
4 have been a member of the political party to which the appointee
5 belongs for at least one (1) year prior to the date of appointment.
6 Appointees shall have demonstrated expertise in public or private
7 health care or programs related to or for the benefit of children or
8 senior adults.

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

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

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

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

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

23 4. Programs and services for the benefit of the children of
24 Oklahoma, with particular emphasis on common and higher education,

1 before- and after-school and pre-school programs, substance abuse
2 prevention and treatment programs and other programs and services
3 designed to improve the health and quality of life of children;

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

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

8 F. Each fiscal year, the Board of Directors may expend the
9 amount of earnings which actually accrued to the trust fund during
10 the preceding fiscal year. Any amount not so expended shall remain
11 in the trust fund. The Board shall direct specific expenditures to
12 be made for the purposes specified in subsection E of this section.

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

15 Section 44. A. There is hereby created a trust fund to be
16 known as the "Oklahoma Rural Health Care Infrastructure Fund".
17 Except for monies deposited into a special fund as set forth in
18 subsection B of Section 40 of Article X of the Oklahoma
19 Constitution, any monies received by the State of Oklahoma pursuant
20 to any settlement with or judgment against any tobacco company or
21 companies beginning January 1, 2019, shall be transferred to the
22 Oklahoma Rural Health Care Infrastructure Fund.

23 B. There is hereby created the Board of Investors of the
24 Oklahoma Rural Health Care Infrastructure Fund. The Board of

1 Investors shall have the duty of investing monies in the trust fund,
2 subject to restrictions and limitations provided by law for and in
3 accordance with laws applicable to the investment of monies in state
4 retirement funds.

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

- 7 1. The State Treasurer who shall be the chair;
- 8 2. An appointee of the Governor;
- 9 3. An appointee of the Speaker of the House of Representatives;
- 10 4. An appointee of the President Pro Tempore of the Senate; and
- 11 5. An appointee of the State Auditor and Inspector.

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

18 C. There is hereby created the Board of Directors of the
19 Oklahoma Rural Health Care Infrastructure Fund. The Board of
20 Directors shall consist of seven (7) members, one appointed by each
21 of the following appointing authorities:

- 22 1. The Governor;
- 23 2. The President Pro Tempore of the Senate;
- 24 3. The Speaker of the House of Representatives;

- 1 4. The Attorney General;
- 2 5. The State Treasurer;
- 3 6. The State Auditor and Inspector; and
- 4 7. The State Superintendent of Public Instruction.

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

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

18 D. Earnings from the trust fund, including but not limited to,
19 interest, dividends and realized capital gains from investments of
20 the trust fund shall be allocated in the following manner:

- 21 1. An annual amount to the Oklahoma Rural Health Care
22 Infrastructure Fund, not to exceed eighty percent (80%) of the total
23 earnings;

2. An annual amount to the Physician Manpower Training Commission, not to exceed nineteen percent (19%) of the total earnings;

3. An annual amount to the Oklahoma Center for Rural Development, not to exceed one percent (1%) of the total earnings;

4. Programs other than those specified in paragraphs 1 through 3 of this subsection designed to maintain or improve the health of Oklahomans or to enhance the provision of health care services to Oklahomans; and

5. Authorized administrative expenses of the Board of Directors.

E. Each fiscal year, the Board of Directors may expend the amount of earnings which actually accrued to the trust fund during the preceding fiscal year. Any amount not so expended shall remain in the trust fund. The Board shall direct specific expenditures to be made in the manner specified in subsection D of this section.

F. 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:

1 This measure amends the Oklahoma Constitution. It amends
2 Section 40 to provide that the Tobacco Settlement Endowment
3 Trust Fund will cease receiving certain monies on December 31,
4 2018. It also adds Section 44 to Article 10. The measure
5 creates the Oklahoma Rural Health Care Infrastructure Fund.
6 Monies received by the state for the Tobacco Settlement
7 Endowment Trust Fund will be transferred to the Oklahoma Rural
8 Health Care Infrastructure Fund beginning January 1, 2019. The
9 trust fund would be managed by the Board of Directors. The
10 Board of Directors would consist of members appointed by various
11 state officials. The trust fund monies could be invested
12 according to certain standards. A Board of Investors would have
13 the duty of investing the trust fund monies. The chair of the
14 Board of Investors would be the State Treasurer. Other members
15 would be appointed by various state officials. The earnings
16 from the trust fund shall be allocated by the Board of Directors
17 to certain entities not to exceed certain percentages and for
18 certain purposes. The purposes include maintaining or improving
19 the health of Oklahomans or enhancing the provision of health
20 care services to Oklahomans. The measure allows the Legislature
21 to pass laws to further implement this section.

22 SHALL THE PROPOSAL BE APPROVED?

23 FOR THE PROPOSAL — YES _____

24 AGAINST THE PROPOSAL — NO _____

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

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7 COMMITTEE REPORT BY: COMMITTEE ON RULES, dated 02/15/2017 - DO PASS,
8 As Amended.
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