

1 STATE OF OKLAHOMA

2 1st Session of the 56th Legislature (2017)

3 HOUSE BILL 1400

By: Montgomery

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5  
6 AS INTRODUCED

7 An Act relating to public finance; enacting the  
8 Oklahoma Vision Act; creating Oklahoma Vision Fund;  
9 providing for apportionment of revenues into fund;  
10 providing for investment of funds; defining  
11 investment earnings; providing for reinvestment of  
12 earnings in corpus of fund; providing for use of  
13 investment earnings to pay certain expenses;  
14 providing for transfer of funds to the Oklahoma  
15 Center for the Advancement of Science and Technology;  
16 providing for transfer of funds to certain subfunds;  
17 providing for alternative apportionment based on  
18 income tax collections exceeding certain threshold;  
19 providing for transfer of funds to the State Regents  
20 for Higher Education; providing for transfer of funds  
21 to common school districts; requiring State Auditor  
22 and Inspector to perform audit of Oklahoma Vision  
23 Fund; prescribing requirements of audit; providing  
24 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:

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. Fifty percent (50%) of the balance revenue derived from the  
9 Cash-flow Reserve Fund pursuant to the provisions of Section 34.54  
10 of Title 62 of the Oklahoma State Statutes; and

11           2. One-quarter of one percent (0.25%) of actual revenue  
12 deposited to the credit of the General Revenue Fund for each fiscal  
13 year; and

14           3. Any amounts appropriated by the Legislature; and

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

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

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

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

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

3 C. At such time that ten-year moving average investment  
4 earnings equal the ten-year moving average of personal income and  
5 corporate income tax collections to the General Revenue Fund, all  
6 apportionments listed in subsection B of this section shall cease to  
7 be operative and one percent (1%) of investment earnings may  
8 continue to be used by the office of the Treasurer to manage the  
9 Oklahoma Vision Fund, and an additional five percent (5%) shall  
10 continue to be deposited to the credit of the Oklahoma Vision Fund,  
11 twenty-five percent (25%) of investment earnings shall be used to  
12 remit by June 1 of each year an amount proportional to the amount of  
13 income taxes paid for individual income taxpayers in the most recent  
14 tax filing period, fifty percent (50%) of investment earnings shall  
15 be used to pay an equal amount among all individual income tax  
16 filers in the most recent tax filing period, and any remaining funds  
17 shall be used to remit taxes paid to corporate income tax filers in  
18 the most recent tax filing period.

19 D. The investment earnings generated from the balance of the  
20 Higher Education Research and Development Fund shall be transferred  
21 to the State Regents for Higher Education and be expended for the  
22 purpose of supporting research and development at the state's  
23 universities in the fields of health, medicine, pharmaceuticals,  
24 drug development, engineering, science, or math.

1 E. Seventy-five percent (75%) of the investment earnings  
2 generated from the balance of the Education Vision Fund shall be  
3 transferred to the common school districts based upon a proportional  
4 basis of the most recently available weighted average daily  
5 attendance of each school district. Five percent (5%) of the  
6 investment earnings shall be reinvested to the corpus of the  
7 Education Vision Fund. Twenty percent (20%) of the investment  
8 earnings generated from the balance of the Education Vision Fund  
9 shall be used to provide reduced price lunches for income-qualified  
10 students in the common school districts of the state.

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

14 The State Auditor and Inspector shall conduct an audit every two  
15 (2) years of the Oklahoma Vision Fund, its subaccounts, and all  
16 expenditures which are otherwise derived from the Oklahoma Vision  
17 Fund and report any findings to the Governor, the Legislature, and  
18 make any documents pertaining to the audit publicly accessible.

19 SECTION 5. This act shall become effective July 1, 2017.

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

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