

1 STATE OF OKLAHOMA

2 2nd Session of the 57th Legislature (2020)

3 COMMITTEE SUBSTITUTE  
4 FOR  
5 SENATE JOINT  
6 RESOLUTION NO. 28

By: McCortney

7 COMMITTEE SUBSTITUTE

8 A Joint Resolution directing the Secretary of State  
9 to refer to the people for their approval or  
10 rejection a proposed amendment to Section 40 of  
11 Article X of the Oklahoma Constitution; modifying  
12 certain definition; deleting requirement for certain  
13 deposit; modifying percentage of certain payments to  
14 be deposited; specifying funds into which certain  
15 deposits shall be made; requiring certain  
16 appropriation to be made; directing expenditure of  
17 certain appropriation; requiring certain earnings to  
18 be deposited into the trust fund; authorizing certain  
19 expenditures of the trust fund principal; specifying  
20 amount that may be expended; providing ballot title;  
21 and directing filing.

22 BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE  
23 2ND SESSION OF THE 57TH OKLAHOMA LEGISLATURE:

24 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 Section 40 of Article X of the  
Oklahoma Constitution to read as follows:

Section 40. A. There is hereby created a trust fund to be  
known as the "Tobacco Settlement Endowment Trust Fund". The trust

fund principal shall consist of the portion of monies which ~~are~~ have  
been received by the State of Oklahoma ~~on or after July 1, 2001 as~~  
of December 31, 2020, pursuant to any settlement with or judgment  
against any tobacco company or companies ~~as provided by subsection B~~  
~~of this section~~, the earnings of the trust fund and any other monies  
that may be appropriated or otherwise directed to the trust fund by  
the Legislature.

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

<del>Fiscal Year</del>	<del>Minimum Percentage</del> <del>of Payments</del>
<del>Ending June 30, 2002</del>	<del>50%</del>
<del>Ending June 30, 2003</del>	<del>55%</del>
<del>Ending June 30, 2004</del>	<del>60%</del>
<del>Ending June 30, 2005</del>	<del>65%</del>
<del>Ending June 30, 2006</del>	<del>70%</del>
<del>Ending June 30, 2007</del>	<del>75%</del>

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

~~The~~ Twenty and seventy-five hundredths percent (20.75%) of the  
monies received by the State of Oklahoma each year pursuant to any  
settlement with or judgment against any tobacco company or companies

1 after ~~June 30, 2001~~ not deposited into the trust fund as provided in  
2 ~~this section~~ December 31, 2020, shall be deposited into a special  
3 fund established by the Legislature solely for the purpose of  
4 receiving the payments; provided, the Legislature may, by law,  
5 direct a certain portion of such monies to the Office of the  
6 Attorney General. The special fund shall be subject to legislative  
7 appropriations.

8 2. The remaining seventy-nine and twenty-five hundredths  
9 percent (79.25%) of the monies received by the State of Oklahoma  
10 each year pursuant to any settlement with or judgment against any  
11 tobacco company or companies after December 31, 2020, shall be  
12 deposited into the General Revenue Fund and shall be appropriated  
13 annually by the Legislature to the Tobacco Settlement Endowment  
14 Trust for expenditure as directed by law.

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 deposited in the Tobacco Settlement  
14 Endowment Trust Fund.

15 F. A portion of the principal may be expended as provided in  
16 subsection ~~F~~ G of this section for the following purposes:

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

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

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

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

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

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

~~F. G.~~ Each fiscal year, the Board of Directors may expend the amount of earnings which actually accrued to up to five percent (5%) of the principal of 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 for the purposes specified in subsection ~~E~~ F of this section.

~~G.~~ H. 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 Section 40 of Article 10 of the Oklahoma  
2 Constitution. The change modifies the definition of trust fund  
3 principal to include earnings of the trust fund. It deletes the  
4 requirement for the annual tobacco settlement payments to the  
5 state to be deposited in the trust fund. It modifies the  
6 percentage of the annual tobacco settlement payments to the  
7 state to be deposited and specifies the funds into which the  
8 deposits shall be made. It requires the earnings from the trust  
9 fund to be deposited into the Tobacco Settlement Endowment Trust  
10 Fund. It authorizes the Board of Directors of the Tobacco  
11 Settlement Endowment Trust Fund to expend up to five percent  
12 (5%) of the trust fund principal for specified purposes.

13 SHALL THE PROPOSAL BE APPROVED?

14 FOR THE PROPOSAL — YES \_\_\_\_\_

15 AGAINST THE PROPOSAL — NO \_\_\_\_\_

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

21  
22 57-2-3821 LB 2/18/2020 4:59:33 PM  
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