

**COMMITTEE AMENDMENT**  
HOUSE OF REPRESENTATIVES  
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HJR1017  
\_\_\_\_\_ Of the printed Bill  
Page \_\_\_\_\_ Section \_\_\_\_\_ Lines \_\_\_\_\_  
\_\_\_\_\_ Of the Engrossed Bill

By striking the Title, the Resolving Clause, the entire measure, and by inserting in lieu thereof the following language:

**AMEND TITLE TO CONFORM TO AMENDMENTS**

Adopted: \_\_\_\_\_

Amendment submitted by: John Pfeiffer \_\_\_\_\_

\_\_\_\_\_  
Reading Clerk

1 STATE OF OKLAHOMA

2 1st Session of the 57th Legislature (2019)

3 PROPOSED COMMITTEE SUBSTITUTE  
4 FOR  
5 HOUSE JOINT  
6 RESOLUTION NO. 1017

By: Pfeiffer

7 PROPOSED 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 Constitution of the State of  
12 Oklahoma and by adding a new section to Article 10 to  
13 be designated as Section 44; providing for the  
14 transfer of monies held in the Tobacco Settlement  
15 Fund; providing that certain monies received pursuant  
16 to the Master Settlement Agreement be directed to the  
17 Community and Regional Empowerment Fund; creating the  
18 Community and Regional Empowerment Fund; directing  
19 expenditures; creating the Board of Directors;  
20 providing for membership; specifying purpose for  
21 expenditure of certain funds; providing for  
22 investment of unexpended balance; authorizing  
23 Legislature to enact certain laws; providing ballot  
24 title; directing filing; and ordering a special  
election.

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE OF THE  
1ST SESSION OF THE 57TH 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 Section 40 of Article X of the  
Constitution of the State of Oklahoma to read as follows:

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

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

22 2. ~~Deposits~~ Except as provided by subsection H of this section,  
23 deposits into the trust fund in subsequent fiscal years shall never  
24 be less than seventy-five percent (75%) of the payments.

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

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

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

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

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

10          G. The Except as provided by subsection H of this section, the  
11 Legislature may enact laws to further implement the provisions of  
12 this section.

13           H. Beginning July 1, 2021:

14           1. Ten percent (10%) of any monies paid to the State of  
15 Oklahoma pursuant to the Master Settlement Agreement shall be paid  
16 into the principal of the Tobacco Settlement Endowment Trust Fund;  
17 and

18           2. Ninety percent (90%) of any monies paid to the State of  
19 Oklahoma pursuant to the Master Settlement Agreement shall be paid  
20 into the principal of the Community and Regional Empowerment Fund as  
21 provided in Section 44 of Article X of the Oklahoma Constitution.

22           SECTION 2. The Secretary of State shall refer to the people for  
23 their approval or rejection, as and in the manner provided by law,  
24

1 the following proposed amendment to the Oklahoma Constitution which  
2 would add a new Section 44 to Article X thereof:

3 Section 44. A. There is hereby created a trust fund to be  
4 known as the "Community and Regional Empowerment Fund". Except for  
5 monies deposited into a special fund as set forth in subsection B of  
6 Section 40 of Article X of the Oklahoma Constitution, ninety percent  
7 (90%) of any monies received by the State of Oklahoma pursuant to  
8 the terms of the Master Settlement Agreement beginning January 1,  
9 2020, shall be transferred to the Community and Regional Empowerment  
10 Fund. Accretions to the principal shall be expended solely for the  
11 purposes as provided in subsection E of this section. Accretions to  
12 the principal shall mean the additions to the principal derived from  
13 payments made pursuant to the terms of the Master Settlement  
14 Agreement made during each fiscal year.

15 B. The monies deposited into the fund shall be expended based  
16 on the following schedule:

Fiscal Year	Percentage of accretions to principal made during the fiscal year to be expended
Ending June 30, 2021	90%
Ending June 30, 2022	85%
Ending June 30, 2023	80%
Ending June 30, 2024	75%
Ending June 30, 2025	70%



1	Ending June 30, 2026	65%
2	Ending June 30, 2027	60%
3	Ending June 30, 2028	55%
4	Ending June 30, 2029	50%
5	Ending June 30, 2030	45%
6	Ending June 30, 2031	40%
7	Ending June 30, 2032	35%
8	Ending June 30, 2033	30%
9	Ending June 30, 2034	25%
10	Ending June 30, 2035, and	20%

11           each fiscal year thereafter

12 Expenditures from the trust fund in subsequent fiscal years shall  
13 not exceed twenty percent (20%) of the accretions to principal made  
14 during the fiscal year.

15           C. There is hereby created the Board of Directors of the  
16 Community and Regional Empowerment Fund. The Board of Directors  
17 shall consist of five (5) members; one member shall be a current  
18 member of the Tobacco Settlement Endowment Trust Fund Board of  
19 Directors and one member appointed by each of the following  
20 appointing authorities:

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

1 D. Each fiscal year, subject to the requirements provided in  
2 subsection B of this section, the Board of Directors shall  
3 distribute the accretions to the principal made during the fiscal  
4 year. The Board shall direct specific expenditures to be made for  
5 the purpose specified in subsection E of this section.

6 E. Accretions to the principal shall be expended for the sole  
7 purpose of benefiting rural health care, rural health care  
8 infrastructure, and rural health care access in Oklahoma. Any  
9 amount not so distributed shall remain in the trust fund. The  
10 monies in the Community and Regional Empowerment Fund shall not be  
11 transferred, appropriated or diverted for any other purpose than  
12 described in this subsection.

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

15 G. The unexpended balance of the fund shall be invested in a  
16 manner consistent with the care, skill, prudence and diligence under  
17 circumstances then prevailing that a prudent person acting in a like  
18 capacity would use in the conduct of an enterprise of a like  
19 character and with like aims and by diversifying the investments of  
20 the Community and Regional Empowerment Fund so as to minimize the  
21 risk of large losses, unless under the circumstances it is clearly  
22 prudent not to do so.

23

24

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

4 BALLOT TITLE

5 Legislative Referendum No. \_\_\_\_\_ State Question No. \_\_\_\_\_

6 THE GIST OF THE PROPOSITION IS AS FOLLOWS:

7 This measure amends the Oklahoma Constitution. It amends  
8 Section 40 of Article 10 to provide that ninety percent (90%) of  
9 any monies paid to the State of Oklahoma pursuant to the Master  
10 Settlement Agreement be paid into the principal of the Community  
11 and Regional Empowerment Fund. It also adds Section 44 to  
12 Article 10. The measure creates the Community and Regional  
13 Empowerment Fund. The trust fund would be managed by a Board of  
14 Directors and expended for the purposes to benefit rural health  
15 care in Oklahoma. The measure allows the Legislature to pass  
16 laws to further implement this section.

17 SHALL THE PROPOSAL BE APPROVED?

18 FOR THE PROPOSAL - YES \_\_\_\_\_

19 AGAINST THE PROPOSAL - NO \_\_\_\_\_

20 SECTION 4. The Chief Clerk of the House of Representatives,  
21 immediately after the passage of this section, shall prepare and  
22 file one copy thereof, including the Ballot Title set forth in  
23 SECTION 3 hereof, with the Secretary of State and one copy with the  
24 Attorney General.

1 SECTION 5. A special election is hereby ordered to be held  
2 throughout the State of Oklahoma on the date of November 5, 2019, at  
3 which time the proposed amendments to the Constitution of the State  
4 of Oklahoma, as set forth in SECTIONS 1 AND 2 of this section, shall  
5 be submitted to the people of Oklahoma for their approval or  
6 rejection as and in the manner provided by law.

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