

STATE OF OKLAHOMA

1st Session of the 57th Legislature (2019)

SENATE BILL NO. 1037

By: Scott

AS INTRODUCED

An Act relating to tobacco settlement funds; creating the Oklahoma Rural Health Care Infrastructure Trust Fund; providing for the transfer of monies held in the Tobacco Settlement Endowment Trust Fund; creating Board of Investors; providing for membership; creating Board of Directors; providing for membership; specifying allocation of funds to certain entities and for certain purposes; authorizing Legislature to enact certain laws; and providing a contingent 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 2311 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created a trust fund to be known as the "Oklahoma Rural Health Care Infrastructure Trust Fund". Except for monies deposited into a special fund as set forth in subsection B of Section 40 of Article X of the Oklahoma Constitution, any monies received by the State of Oklahoma pursuant to any settlement with or judgment against any tobacco company or companies beginning January

1, 2020, shall be transferred to the Oklahoma Rural Health Care Infrastructure Trust Fund.

B. There is hereby created the Board of Investors of the Oklahoma Rural Health Care Infrastructure Trust Fund. The Board of Investors shall have the duty of investing monies in the trust fund, subject to restrictions and limitations provided by law for and in accordance with laws applicable to the investment of monies in state retirement funds.

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

1. The State Treasurer who shall be the chair;
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.

C. There is hereby created the Board of Directors of the Oklahoma Rural Health Care Infrastructure Trust Fund. The Board of

1 Directors shall consist of seven (7) members, one appointed by each  
2 of the following appointing authorities:

- 3 1. The Governor;
- 4 2. The President Pro Tempore of the Senate;
- 5 3. The Speaker of the House of Representatives;
- 6 4. The Attorney General;
- 7 5. The State Treasurer;
- 8 6. The State Auditor and Inspector; and
- 9 7. The State Superintendent of Public Instruction.

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

21 The Board of Directors shall meet at least one time each  
22 calendar quarter.  
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1 D. Earnings from the trust fund, including but not limited to,  
2 interest, dividends and realized capital gains from investments of  
3 the trust fund shall be allocated in the following manner:

4 1. An annual amount to the Oklahoma Rural Health Care  
5 Infrastructure Trust Fund, not to exceed eighty percent (80%) of the  
6 total earnings;

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

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

12 4. Programs other than those specified in paragraphs 1 through  
13 3 of this subsection designed to maintain or improve the health of  
14 Oklahomans or to enhance the provision of health care services to  
15 Oklahomans; and

16 5. Authorized administrative expenses of the Board of  
17 Directors.

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

23 F. The Legislature may enact laws to further implement the  
24 provisions of this section.

1       SECTION 2. This act shall become effective upon certification  
2 of election returns favoring passage of the Constitutional Amendment  
3 proposed in Senate Joint Resolution No. 18 of the 1st Session of the  
4 57th Oklahoma Legislature.

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