

STATE OF OKLAHOMA

2nd Session of the 57th Legislature (2020)

SENATE JOINT
RESOLUTION 28

By: McCortney

AS INTRODUCED

A Joint Resolution directing the Secretary of State to refer to the people for their approval or rejection a proposed amendment to Section 40 of Article X of the Oklahoma Constitution; modifying certain definition; deleting requirement for certain deposit; modifying percentage of certain payments to be deposited; specifying funds into which certain deposits shall be made; specifying purposes for which appropriations shall be made; requiring certain earnings to be deposited into the trust fund; authorizing and prohibiting certain expenditures; specifying amount that may be expended; providing ballot title; and directing filing.

BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE
2ND 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 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

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

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

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

22 ~~The~~ Twenty and seventy-five hundredths percent (20.75%) of the
23 monies received by the State of Oklahoma each year pursuant to any
24 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:

14 a. to the State Board of Education to provide funding to
15 all common school districts to compensate personnel
16 providing health-related services to students, and
17 b. to the Department of Mental Health and Substance Abuse
18 Services for substance abuse treatment programs
19 including criminal justice diversion programs,
20 by the Legislature as directed by law.

21 C. There is hereby created the Board of Investors of the
22 Tobacco Settlement Endowment Trust Fund. The Board of Investors
23 shall have the duty of investing monies in the trust fund, subject
24 to restrictions and limitations provided by law for and in

1 accordance with laws applicable to the investment of monies in state
2 retirement funds.

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

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

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

16 D. There is hereby created the Board of Directors of the
17 Tobacco Settlement Endowment Trust Fund. The Board of Directors
18 shall consist of seven (7) members, one appointed by each of the
19 following appointing authorities:

- 20 1. The Governor;
- 21 2. The President Pro Tempore of the Senate;
- 22 3. The Speaker of the House of Representatives;
- 23 4. The Attorney General;
- 24 5. The State Treasurer;

1 6. The State Auditor and Inspector; and

2 7. The State Superintendent of Public instruction.

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

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

17 E. Earnings from the trust fund, including but not limited to
18 interest, dividends, and realized capital gains from investments of
19 the trust fund shall be deposited in the Tobacco Settlement
20 Endowment Trust Fund.

21 F. A portion of the principal may be expended as provided in
22 subsection ~~F~~ G of this section for the following purposes:
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1 1. Clinical and basic research and treatment efforts in
2 Oklahoma for the purpose of enhancing efforts to prevent and combat
3 cancer and other tobacco-related diseases;

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

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

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

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

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

18 ~~F. G.~~ Each fiscal year, the Board of Directors may expend ~~the~~
19 ~~amount of earnings which actually accrued to~~ up to five percent (5%)
20 of the principal of the trust fund ~~during the preceding fiscal year.~~
21 The Board shall direct specific expenditures to be made for the
22 purposes specified in subsection ~~F~~ F of this section.

23 ~~G. H.~~ The Legislature may enact laws to further implement the
24 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:

This measure amends Section 40 of Article 10 of the Oklahoma Constitution. The change modifies the definition of trust fund principal to include earnings of the trust fund. It deletes the requirement for the annual tobacco settlement payments to the state to be deposited in the trust fund. It modifies the percentage of the annual tobacco settlement payments to the state to be deposited and specifies the funds into which the deposits shall be made. It requires the earnings from the trust fund to be deposited into the Tobacco Settlement Endowment Trust Fund. It authorizes the Board of Directors of the Tobacco Settlement Endowment Trust Fund to expend up to five percent (5%) of the trust fund principal for specified purposes. It prohibits the Board of Directors of the Tobacco Settlement Endowment Trust Fund from expending any of the trust fund earnings.

SHALL THE PROPOSAL BE APPROVED?

FOR THE PROPOSAL — YES _____

AGAINST THE PROPOSAL — NO _____

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

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