

1 STATE OF OKLAHOMA

2 2nd Session of the 60th Legislature (2026)

3 SENATE JOINT  
4 RESOLUTION 38

By: Howard

5  
6 AS INTRODUCED

7 A Joint Resolution directing the Secretary of State  
8 to refer to the people for their approval or  
9 rejection a proposed amendment to Section 40 of  
10 Article X of the Oklahoma Constitution; requiring  
11 divestment of certain assets and deposit of proceeds  
12 into specified fund; providing for appropriation of  
13 proceeds for specified purpose; providing ballot  
14 title; and directing filing.

15 BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE  
16 2ND SESSION OF THE 60TH OKLAHOMA LEGISLATURE:

17 SECTION 1. The Secretary of State shall refer to the people for  
18 their approval or rejection, as and in the manner provided by law,  
19 the following proposed amendment to Section 40 of Article X of the  
20 Oklahoma Constitution to read as follows:

21 Section 40. A. There is hereby created a trust fund to be  
22 known as the "Tobacco Settlement Endowment Trust Fund". The trust  
23 fund principal shall consist of the portion of monies which are  
24 received by the State of Oklahoma on or after July 1, 2001, pursuant  
25 to any settlement with or judgment against any tobacco company or  
26 companies as provided by subsection B of this section, 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:

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%

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

3. The monies received by the State of Oklahoma pursuant to any settlement with or judgment against any tobacco company or companies after June 30, 2001, not deposited into the trust fund as provided in this section, shall be deposited into a special fund established by the Legislature solely for the purpose of receiving the payments; provided, the Legislature may, by law, direct a certain portion of such monies to the Office of the Attorney General. The special fund shall be subject to legislative appropriations.

1 C. There is hereby created the Board of Investors of the  
2 Tobacco Settlement Endowment Trust Fund. The Board of Investors  
3 shall have the duty of investing monies in the trust fund, subject  
4 to restrictions and limitations provided by law for and in  
5 accordance with laws applicable to the investment of monies in state  
6 retirement funds.

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

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

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

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

- 24 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 district, and not more than two appointees shall be appointed from any single congressional district. Not more than four appointees shall be members of the same political party. An appointee shall have been a member of the political party to which the appointee belongs for at least one (1) year prior to the date of appointment. Appointees shall have demonstrated expertise in public or private health care or programs related to or for the benefit of children or senior adults.

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

E. Earnings from the trust fund, including but not limited to interest, dividends, and realized capital gains from investments of the trust fund shall be expended as provided in subsection F of this section for the following purposes:

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. 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 for the purposes specified in subsection E of this section.

23        G. Not later than November 1 of each year, the Board of  
24 Investors shall divest five percent (5%) of the assets in the trust

1 fund and shall deposit the proceeds in the Health Care Enhancement  
2 Fund. Such proceeds shall be appropriated at the discretion of the  
3 Legislature for the purpose of enhancing the health of Oklahomans  
4 including, but not limited to, through direct medical expenditures.

5 H. The Legislature may enact laws to further implement the  
6 provisions of this section.

7 SECTION 2. The Ballot Title for the proposed Constitutional  
8 amendment as set forth in SECTION 1 of this resolution shall be in  
9 the following form:

10 BALLOT TITLE

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

12 THE GIST OF THE PROPOSITION IS AS FOLLOWS:

13 This measure amends Section 40 of Article 10 of the Oklahoma  
14 Constitution. It requires the Board of Investors of the Tobacco  
15 Settlement Endowment Trust Fund to divest 5% of the trust fund's  
16 assets on November 1 of every year and deposit the proceeds in  
17 the Health Care Enhancement Fund. It directs that the monies be  
18 appropriated at the discretion of the Legislature for the  
19 purpose of enhancing the health of Oklahomans including, but not  
20 limited to, through direct medical expenditures.

21 SHALL THE PROPOSAL BE APPROVED?

22 FOR THE PROPOSAL — YES \_\_\_\_\_

23 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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