

1 STATE OF OKLAHOMA

2 1st Extraordinary Session of the 56th Legislature (2017)

3 HOUSE JOINT  
4 RESOLUTION 1001

By: Calvey

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6  
7 AS INTRODUCED

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; providing that earnings from Tobacco  
13 Settlement Endowment Trust Fund be used for the  
14 purpose of funding Medicaid; providing ballot title;  
15 directing filing; and ordering a special election.

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BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE OF THE  
1ST EXTRAORDINARY SESSION OF THE 56TH 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:

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  
received by the State of Oklahoma on or after July 1, 2001, pursuant  
to any settlement with or judgment against any tobacco company or

1 companies as provided by subsection B of this section, and any other  
2 monies that may be appropriated or otherwise directed to the trust  
3 fund by the Legislature.

4 B. 1. Deposits into the trust fund from monies which are  
5 received by the State of Oklahoma pursuant to any settlement with or  
6 judgment against any tobacco company or companies shall be based on  
7 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%

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

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

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

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

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

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

22 D. There is hereby created the Board of Directors of the  
23 Tobacco Settlement Endowment Trust Fund. The Board of Directors  
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1 shall consist of seven (7) members, one appointed by each of the  
2 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 or programs related to or for the benefit of children or  
21 senior adults.

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

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1 E. 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 expended as provided in subsection F of  
4 this section for the following purposes:

5 ~~1. Clinical and basic research and treatment efforts in~~  
6 ~~Oklahoma for the purpose of enhancing efforts to prevent and combat~~  
7 ~~cancer and other tobacco-related diseases;~~

8 ~~2. Cost-effective tobacco prevention and cessation programs;~~

9 ~~3. Programs other than those specified in paragraph 1 of this~~  
10 ~~subsection designed to maintain or improve the health of Oklahomans~~  
11 ~~or to enhance the provision of health care services to Oklahomans,~~  
12 ~~with particular emphasis on such programs for children;~~

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

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

20 ~~6. Authorized administrative expenses of the Office of the~~  
21 ~~State Treasurer and the Board of Directors purpose of funding~~  
22 ~~Medicaid.~~

23 F. Each fiscal year, the Board of Directors may expend the  
24 amount of earnings which actually accrued to the trust fund during

1 the preceding fiscal year. Any amount not so expended shall remain  
2 in the trust fund. The Board shall direct specific expenditures to  
3 be made for the ~~purposes~~ purpose specified in subsection E of this  
4 section.

5 G. 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 resolution amends Section 40 of Article 10 of the Oklahoma  
14 Constitution which relates to earnings from the tobacco  
15 settlement. It provides that earnings from the Tobacco  
16 Settlement Endowment Trust Fund may be used for the purpose of  
17 funding Medicaid.

18 SHALL THE PROPOSAL BE APPROVED?

19 FOR THE PROPOSAL - YES \_\_\_\_\_

20 AGAINST THE PROPOSAL - NO \_\_\_\_\_

21 SECTION 3. The Chief Clerk of the House of Representatives,  
22 immediately after the passage of this act, shall prepare and file  
23 one copy thereof, including the Ballot Title set forth in SECTION 2  
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1 hereof, with the Secretary of State and one copy with the Attorney  
2 General.

3 SECTION 4. A special election is hereby ordered to be held  
4 throughout the State of Oklahoma on the date of \_\_\_\_, at which time  
5 the proposed amendment to the Constitution of the State of Oklahoma,  
6 as set forth in SECTION 1 of this resolution, shall be submitted to  
7 the people of Oklahoma for their approval or rejection as and in the  
8 manner provided by law.

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