

1 STATE OF OKLAHOMA

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

3 SENATE JOINT  
4 RESOLUTION NO. 11

By: Montgomery

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 the Constitution of  
10 the State of Oklahoma by adding a new Section 44 to  
11 Article X; creating Redbud Future Fund; providing for  
12 apportionment of monies and certain deposits to  
13 Redbud Future Fund; providing for certain  
14 apportionment of principal amount to the General  
15 Revenue Fund; prescribing investment standard;  
16 imposing restrictions on real estate and certain  
17 fixed income securities; authorizing investment of  
18 monies in certain equity securities; providing  
19 exception to restrictions contained in Section 15 of  
20 Article X of the Oklahoma Constitution; limiting use  
21 of certain monies for debt service of state or local  
22 government entities; providing ballot title; and  
23 directing filing.

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BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES 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 the Constitution of the State of  
Oklahoma by adding a new Section 44 to Article X thereof, to read as  
follows:

1 Section 44. A. There is hereby created in the State Treasury a  
2 trust fund to be designated the "Redbud Future Fund" to support the  
3 operation of state government and to provide tax relief.

4 B. The Redbud Future Fund principal shall consist of:

5 1. Any amounts appropriated by the Legislature;

6 2. Any other deposits and apportionments from other sources as  
7 may be provided by law;

8 3. For the fiscal year beginning July 1, 2022, and for each  
9 fiscal year thereafter, five percent (5%) of total actual revenue  
10 from the gross production tax on oil and gas which percentage shall  
11 increase in increments of two-tenths percentage points each year  
12 thereafter until the apportionment percentage equals forty percent  
13 (40%); and

14 4. Investment and income returns from the fund principal.

15 C. Except as otherwise provided by this subsection, four  
16 percent (4%) of the average annual amount of the principal of the  
17 Redbud Future Fund for the immediately preceding five (5) complete  
18 fiscal years shall be apportioned to the General Revenue Fund not  
19 later than September 30 each year. The State Treasurer shall  
20 determine the balance of the Redbud Future Fund as of June 30 each  
21 year and for the preceding five (5) years in order to apportion the  
22 required amount to the General Revenue Fund each fiscal year as  
23 required by this subsection. The deposit required by this  
24 subsection shall not begin before July 1, 2022. The Legislature may

1 appropriate any amount that would otherwise be deposited into the  
2 General Revenue Fund pursuant to the provisions of this subsection  
3 for such purposes as may be specified in the applicable  
4 appropriation measure.

5 D. The balance of the Redbud Future Fund shall be invested by  
6 the State Treasurer in a manner consistent with the care, skill,  
7 prudence and diligence under the circumstances then prevailing that  
8 a prudent person acting in a like capacity and familiar with such  
9 matters would use in the conduct of an enterprise of a like  
10 character and with like aims and by diversifying the investments of  
11 the Redbud Future Fund so as to minimize the risk of large losses,  
12 unless under the circumstances it is clearly prudent not to do so.  
13 The State Treasurer shall not invest more than five percent (5%) of  
14 the monies in the Redbud Future Fund in connection with investments  
15 in real property or bonds issued by the State of Oklahoma or its  
16 political subdivisions. The State Treasurer shall not bid against  
17 private sector bidders above the appraised value of any real  
18 property to be acquired.

19 E. The Redbud Future Fund shall not be subject to the  
20 restriction of Section 15 of Article X of the Oklahoma Constitution  
21 with regard to investment of public funds, and the monies in the  
22 Redbud Future Fund may be invested in accordance with the standard  
23 prescribed by subsection D of this section.

24

1 F. Not more than five percent (5%) of the monies in the Redbud  
2 Future Fund may be used for debt service payments due on bonds or  
3 other financing instruments issued by the State of Oklahoma,  
4 counties, municipalities, authorities, commissions, political  
5 subdivisions or any other governmental entities within the State of  
6 Oklahoma, subject to such restrictions as may be provided by law.

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 would create a new fund called the "Redbud Future  
14 Fund" in the Oklahoma Constitution. Money could be appropriated  
15 to the Redbud Future Fund. Beginning July 1, 2022, five percent  
16 (5%) of gross production taxes on both oil and gas would be  
17 deposited into the Redbud Future Fund. After that fiscal year,  
18 the percentage would increase by two-tenths percentage points  
19 each year until reaching a maximum of forty percent (40%).

20 Other monies could be deposited into the Redbud Future Fund if  
21 provided by law. The State Treasurer would deposit four percent  
22 (4%) of the principal amount of the Redbud Future Fund into the  
23 State General Revenue Fund each year. The Legislature could  
24 appropriate the monies that would otherwise be deposited into

1 the Redbud Future Fund. The Redbud Future Fund would be subject  
2 to an investment standard known as the prudent investor rule.  
3 The State Treasurer could not invest more than five percent (5%)  
4 of the money in the Redbud Future Fund in real estate and bonds  
5 issued by the State of Oklahoma or its political subdivisions.  
6 The State Treasurer would not be allowed to bid against private  
7 sector bidders more than the appraised value of any real estate.  
8 The Redbud Future Fund could be invested in stocks and similar  
9 securities. Not more than five percent (5%) of the monies in  
10 the Redbud Future Fund could be used for payment of debt  
11 obligations issued by the State of Oklahoma, state government  
12 entities or local government entities.

13 SHALL THE PROPOSAL BE APPROVED?

14 FOR THE PROPOSAL - YES \_\_\_\_\_

15 AGAINST THE PROPOSAL - NO \_\_\_\_\_

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

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22 57-1-330 JCR 1/17/2019 8:41:31 AM  
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