

1 STATE OF OKLAHOMA

2 1st Session of the 58th Legislature (2021)

3 SENATE JOINT
4 RESOLUTION 13

By: Standridge

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; decreasing
11 annual deposits into Tobacco Settlement Endowment
12 Trust Fund; directing certain percentage of specified
13 payments to be deposited and expended for certain tax
14 credits and administrative costs; providing
15 exclusion; directing Oklahoma Tax Commission to
16 implement certain provisions; providing ballot title;
17 and directing filing.

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20 BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE
21 1ST SESSION OF THE 58TH OKLAHOMA LEGISLATURE:

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

26 Section 40. A. There is hereby created a trust fund to be
27 known as the "Tobacco Settlement Endowment Trust Fund". The trust
28 fund principal shall consist of the portion of monies which are
29 received by the State of Oklahoma on or after July 1, 2001, pursuant

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

5 B. 1. Deposits into the trust fund from monies which are
6 received by the State of Oklahoma pursuant to any settlement with or
7 judgment against any tobacco company or companies shall be based on
8 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%
<u>Ending June 30, 2024, and each fiscal year thereafter</u>	<u>63.75%</u>

19 ~~2. Deposits into the trust fund in subsequent fiscal years~~
20 ~~shall never be less than seventy-five percent (75%) of the payments~~
21 Beginning July 1, 2023, fifteen percent (15%) of the payments shall
22 be deposited in a revolving fund established by the Legislature
23 solely for the purpose of receiving the payments. Monies in the
24 revolving fund shall be expended solely for the purpose of providing

1 a tax credit each year to residents of this state who have filed an
2 income tax return for the tax year, except for those residents who
3 were inmates in the custody of the Department of Corrections, and
4 for the purpose of administrative costs incurred by the Oklahoma Tax
5 Commission in providing the credits. The Tax Commission shall
6 determine eligibility for the credits, create calculation and
7 disbursement methodology of the credits, and may take such actions
8 as are necessary to implement the provisions of this subsection.

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

18 C. There is hereby created the Board of Investors of the
19 Tobacco Settlement Endowment Trust Fund. The Board of Investors
20 shall have the duty of investing monies in the trust fund, subject
21 to restrictions and limitations provided by law for and in
22 accordance with laws applicable to the investment of monies in state
23 retirement funds.

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

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

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

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

- 18 1. The Governor;
- 19 2. The President Pro Tempore of the Senate;
- 20 3. The Speaker of the House of Representatives;
- 21 4. The Attorney General;
- 22 5. The State Treasurer;
- 23 6. The State Auditor and Inspector; and
- 24 7. The State Superintendent of Public instruction.

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

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

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

19 1. Clinical and basic research and treatment efforts in
20 Oklahoma for the purpose of enhancing efforts to prevent and combat
21 cancer and other tobacco-related diseases;

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

23 3. Programs other than those specified in paragraph 1 of this
24 subsection designed to maintain or improve the health of Oklahomans

1 or to enhance the provision of health care services to Oklahomans,
2 with particular emphasis on such programs for children;

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

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

10 6. Authorized administrative expenses of the Office of the
11 State Treasurer and the Board of Directors.

12 F. Each fiscal year, the Board of Directors may expend the
13 amount of earnings which actually accrued to the trust fund during
14 the preceding fiscal year. Any amount not so expended shall remain
15 in the trust fund. The Board shall direct specific expenditures to
16 be made for the purposes specified in subsection E of this section.

17 G. The Legislature may enact laws to further implement the
18 provisions of this section.

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

22 BALLOT TITLE
23 Legislative Referendum No. _____ State Question No. _____

24 THE GIST OF THE PROPOSITION IS AS FOLLOWS:

1 This measure would amend Section 40 of Article 10 of the
2 Oklahoma Constitution. It would lower the percentage of money
3 received by the state from tobacco manufacturers that is
4 deposited in the Tobacco Settlement Endowment Trust Fund from
5 seventy-five percent (75%) to sixty-three and seventy-five
6 hundredths percent (63.75%). It would cause fifteen percent
7 (15%) of money received by the state from tobacco manufacturers
8 each year to be deposited into a fund created by the
9 Legislature. The fund would be used to provide tax credits to
10 Oklahoma residents who file an income tax return for the tax
11 year, except for inmates in the custody of the Department of
12 Corrections. The Oklahoma Tax Commission would determine
13 eligibility and calculate the payments and would be allowed to
14 take other necessary action to carry out this measure.

15 SHALL THE PROPOSAL BE APPROVED?

16 FOR THE PROPOSAL - YES _____

17 AGAINST THE PROPOSAL - NO _____

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

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