

1 STATE OF OKLAHOMA

2 2nd Session of the 56th Legislature (2018)

3 SENATE JOINT  
4 RESOLUTION 58

By: McCortney and Pugh of the  
Senate

5 and

6 McBride of the House

7  
8 AS INTRODUCED

9  
10 A Joint Resolution directing the Secretary of State  
11 to refer to the people for their approval or  
12 rejection a proposed amendment to Section 40 of  
13 Article X of the Oklahoma Constitution; modifying  
14 certain definition; deleting requirement for certain  
15 deposit; modifying percentage of certain payments to  
16 be deposited; specifying funds into which certain  
17 deposits shall be made; specifying purposes for which  
18 appropriations shall be made; requiring certain  
19 earnings to be deposited into the trust fund;  
20 authorizing and prohibiting certain expenditures;  
21 specifying amount that may be expended; providing  
22 ballot title; and directing filing.  
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BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE  
2ND 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  
Oklahoma Constitution to read as follows:

1 Section 40. A. There is hereby created a trust fund to be  
2 known as the "Tobacco Settlement Endowment Trust Fund". The trust  
3 fund principal shall consist of the portion of monies which ~~are~~ have  
4 been received by the State of Oklahoma ~~on or after July 1, 2001~~ as  
5 of December 31, 2018, pursuant to any settlement with or judgment  
6 against any tobacco company or companies ~~as provided by subsection B~~  
7 ~~of this section~~, the earnings of the trust fund and any other monies  
8 that may be appropriated or otherwise directed to the trust fund by  
9 the Legislature.

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

<del>Fiscal Year</del>	<del>Minimum Percentage</del> <del>of Payments</del>
<del>Ending June 30, 2002</del>	<del>50%</del>
<del>Ending June 30, 2003</del>	<del>55%</del>
<del>Ending June 30, 2004</del>	<del>60%</del>
<del>Ending June 30, 2005</del>	<del>65%</del>
<del>Ending June 30, 2006</del>	<del>70%</del>
<del>Ending June 30, 2007</del>	<del>75%</del>

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

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1        The Twenty and seventy-five hundredths percent (20.75%) of the  
2 monies received by the State of Oklahoma each year pursuant to any  
3 settlement with or judgment against any tobacco company or companies  
4 ~~after June 30, 2001 not deposited into the trust fund as provided in~~  
5 ~~this section~~ December 31, 2018, shall be deposited into a special  
6 fund established by the Legislature solely for the purpose of  
7 receiving the payments; provided, the Legislature may, by law,  
8 direct a certain portion of such monies to the Office of the  
9 Attorney General. The special fund shall be subject to legislative  
10 appropriations.

11        2. The remaining seventy-nine and twenty-five hundredths  
12 percent (79.25%) of the monies received by the State of Oklahoma  
13 each year pursuant to any settlement with or judgment against any  
14 tobacco company or companies after December 31, 2018, shall be  
15 deposited into the General Revenue Fund and shall be appropriated  
16 annually:

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

24

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;

- 1        2. The President Pro Tempore of the Senate;
- 2        3. The Speaker of the House of Representatives;
- 3        4. The Attorney General;
- 4        5. The State Treasurer;
- 5        6. The State Auditor and Inspector; and
- 6        7. The State Superintendent of Public instruction.

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

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

21        E. Earnings from the trust fund, including but not limited to  
22 interest, dividends, and realized capital gains from investments of  
23 the trust fund shall be deposited in the Tobacco Settlement  
24 Endowment Trust Fund.

1        F. A portion of the principal may be expended as provided in  
2 subsection ~~F~~ G of this section for the following purposes:

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

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

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

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

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

18           6. Authorized administrative expenses of the Office of the  
19 State Treasurer and the Board of Directors.

20        ~~F.~~ G. Each fiscal year, the Board of Directors may expend ~~the~~  
21 ~~amount of earnings which actually accrued to~~ up to five percent (5%)  
22 of the principal of the trust fund ~~during the preceding fiscal year.~~

23 The Board shall direct specific expenditures to be made for the  
24 purposes specified in subsection ~~F~~ F of this section.



1 FOR THE PROPOSAL - YES \_\_\_\_\_

2 AGAINST THE PROPOSAL - NO \_\_\_\_\_

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

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