

1 **SENATE FLOOR VERSION**

2 February 26, 2020

3 **AS AMENDED**

4 SENATE JOINT
5 RESOLUTION NO. 27

6 By: David

7 **[Joint Resolution - Article X of the Oklahoma**
8 **Constitution - deposits - ballot title - filing]**

9 BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE
10 2ND SESSION OF THE 57TH OKLAHOMA LEGISLATURE:

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

15 Section 40. A. There is hereby created a trust fund to be
16 known as the "Tobacco Settlement Endowment Trust Fund". The trust
17 fund principal shall consist of the portion of monies which are
18 received by the State of Oklahoma on or after July 1, 2001, pursuant
19 to any settlement with or judgment against any tobacco company or
20 companies as provided by subsection B of this section, and any other
21 monies that may be appropriated or otherwise directed to the trust
22 fund by the Legislature.

23 B. 1. Deposits into the trust fund from monies which are
24 received by the State of Oklahoma pursuant to any settlement with or

1 judgment against any tobacco company or companies shall be based on
2 the following schedule:

<u>Fiscal Year</u>	<u>Minimum Percentage of Payments</u>
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, 2021 and</u> <u>each fiscal year thereafter</u>	<u>25%</u>

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

17 3. The monies received by the State of Oklahoma pursuant to any
18 settlement with or judgment against any tobacco company or companies
19 after June 30, 2001, not deposited into the trust fund as provided
20 in this section, shall be deposited into a special fund established
21 by the Legislature solely for the purpose of receiving the payments,
22 ~~provided, the Legislature may, by law, direct a certain portion of~~
23 ~~such monies to the Office of the Attorney General.~~ The special fund
24

1 shall be subject to legislative appropriations and shall be
2 appropriated and expended to draw down federal matching funds for
3 the Medicaid program.

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

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

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

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

23 D. There is hereby created the Board of Directors of the
24 Tobacco Settlement Endowment Trust Fund. The Board of Directors

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.

24

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 this
4 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.

22 F. Each fiscal year, the Board of Directors may expend the
23 amount of earnings which actually accrued to the trust fund during
24 the preceding fiscal year. Any amount not so expended shall remain

1 in the trust fund. The Board shall direct specific expenditures to
2 be made for the purposes specified in subsection E of this section.

3 G. The Legislature may enact laws to further implement the
4 provisions of this section.

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

8 BALLOT TITLE

9 Legislative Referendum No. _____ State Question No. _____

10 THE GIST OF THE PROPOSITION IS AS FOLLOWS:

11 This measure amends Section 40 of Article 10 of the Oklahoma
12 Constitution. It modifies the amount of the annual tobacco
13 settlement payments to the state to be deposited into the
14 Tobacco Settlement Endowment Trust Fund. It modifies the amount
15 of the annual tobacco settlement payments to the state to be
16 deposited into the Tobacco Settlement Fund for appropriation by
17 the Oklahoma Legislature. It specifies that deposits into the
18 Tobacco Settlement Fund shall be appropriated and expended to
19 draw down federal matching funds for the Medicaid program.

20 SHALL THE PROPOSAL BE APPROVED?

21 FOR THE PROPOSAL - YES _____

22 AGAINST THE PROPOSAL - NO _____

23 SECTION 3. The President Pro Tempore of the Senate shall,
24 immediately after the passage of this resolution, prepare and file

1 one copy thereof, including the Ballot Title set forth in SECTION 2
2 hereof, with the Secretary of State and one copy with the Attorney
3 General.

4 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
5 February 26, 2020 - DO PASS AS AMENDED
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