

1 STATE OF OKLAHOMA

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

3 HOUSE JOINT
4 RESOLUTION 1018

By: Hilbert of the House

5 and

6 Montgomery of the Senate

7
8
9 AS INTRODUCED

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

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES AND SENATE 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,

1 the following proposed amendment to the Constitution of the State of
2 Oklahoma by adding a new Section 44 to Article X thereof, to read as
3 follows:

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

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

8 1. Any amounts appropriated by the Legislature;

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

11 3. For the fiscal year beginning July 1, 2022, and for each
12 fiscal year thereafter, five percent (5%) of total actual revenue
13 from the gross production tax on oil and gas which percentage shall
14 increase in increments of two-tenths percentage points each year
15 thereafter until the apportionment percentage equals forty percent
16 (40%); and

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

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

1 required amount to the General Revenue Fund each fiscal year as
2 required by this subsection. The deposit required by this
3 subsection shall not begin before July 1, 2022. The Legislature may
4 appropriate any amount that would otherwise be deposited into the
5 General Revenue Fund pursuant to the provisions of this subsection
6 for such purposes as may be specified in the applicable
7 appropriation measure.

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

22 E. The Redbud Future Fund shall not be subject to the
23 restriction of Section 15 of Article X of the Oklahoma Constitution
24 with regard to investment of public funds, and the monies in the

1 Redbud Future Fund may be invested in accordance with the standard
2 prescribed by subsection D of this section.

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

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

12 BALLOT TITLE

13 Legislative Referendum No. _____ State Question No. _____

14 THE GIST OF THE PROPOSITION IS AS FOLLOWS:

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

22 Other monies could be deposited into the Redbud Future Fund if
23 provided by law. The State Treasurer would deposit four percent
24 (4%) of the principal amount of the Redbud Future Fund into the

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

15 SHALL THE PROPOSAL BE APPROVED?

16 FOR THE PROPOSAL - YES _____

17 AGAINST THE PROPOSAL - NO _____

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

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24 57-1-5586 MAH 01/16/19