

1 STATE OF OKLAHOMA

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

3 HOUSE JOINT  
4 RESOLUTION 1017

By: Pfeiffer

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 Constitution of the State of  
11 Oklahoma and adding a new Section 44 to Article X of  
12 the Oklahoma Constitution; providing for the transfer  
13 of monies held in the Tobacco Settlement Endowment  
14 Trust Fund; providing that the Fund shall cease  
15 receiving certain monies on December 31, 2021;  
16 creating the Oklahoma Rural Health Care  
17 Infrastructure Fund; creating the Board of Investors  
18 of the Oklahoma Rural Health Care Infrastructure  
19 Fund; providing for membership; creating the Board of  
20 Directors of the Oklahoma Rural Health Care  
21 Infrastructure Fund; providing for membership;  
22 specifying allocation of funds to certain entities  
23 and for certain purposes; authorizing Legislature to  
24 enact certain laws; providing ballot title; and  
directing filing.

18 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE OF THE  
19 1ST SESSION OF THE 57TH OKLAHOMA LEGISLATURE:

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

1 Constitution and adding a new Section 44 to Article X thereof, to  
2 read as follows:

3 Section 40. A. There is hereby created a trust fund to be  
4 known as the "Tobacco Settlement Endowment Trust Fund". The trust  
5 fund principal shall consist of the portion of monies which are  
6 received by the State of Oklahoma on or after July 1, 2001, and  
7 ending on December 31, 2021, pursuant to any settlement with or  
8 judgment against any tobacco company or companies as provided by  
9 subsection B of this section, and any other monies that may be  
10 appropriated or otherwise directed to the trust fund by the  
11 Legislature.

12 B. 1. Deposits into the trust fund from monies which are  
13 received by the State of Oklahoma pursuant to any settlement with or  
14 judgment against any tobacco company or companies shall be based on  
15 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%

1           2. Deposits into the trust fund in subsequent fiscal years  
2 until December 31, 2021, shall never be less than seventy-five  
3 percent (75%) of the payments.

4           3. The monies received by the State of Oklahoma pursuant to any  
5 settlement with or judgment against any tobacco company or companies  
6 after June 30, 2001, not deposited into the ~~trust fund~~ Tobacco  
7 Settlement Endowment Trust Fund as provided in this section or the  
8 Oklahoma Rural Health Care Infrastructure Fund as provided in  
9 Section 44 of Article X of the Oklahoma Constitution, shall be  
10 deposited into a special fund established by the Legislature solely  
11 for the purpose of receiving the payments; provided, the Legislature  
12 may, by law, direct a certain portion of such monies to the Office  
13 of the Attorney General. The special fund shall be subject to  
14 legislative appropriations.

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

21           The Board of Investors shall consist of five (5) members as  
22 follows:

- 23           1. The State Treasurer who shall be the chair;
- 24           2. An appointee of the Governor;

- 1 3. An appointee of the Speaker of the House of Representatives;
- 2 4. An appointee of the President Pro Tempore of the Senate; and
- 3 5. An appointee of the State Auditor and Inspector.

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

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

- 14 1. The Governor;
- 15 2. The President Pro Tempore of the Senate;
- 16 3. The Speaker of the House of Representatives;
- 17 4. The Attorney General;
- 18 5. The State Treasurer;
- 19 6. The State Auditor and Inspector; and
- 20 7. The State Superintendent of Public Instruction.

21 The initial appointed members shall serve staggered terms of  
22 office as provided for by law. Thereafter, the appointed members of  
23 the Board of Directors shall serve seven-year terms of office. At  
24 least one appointee shall be appointed from each congressional

1 district, and not more than two appointees shall be appointed from  
2 any single congressional district. Not more than four appointees  
3 shall be members of the same political party. An appointee shall  
4 have been a member of the political party to which the appointee  
5 belongs for at least one (1) year prior to the date of appointment.  
6 Appointees shall have demonstrated expertise in public or private  
7 health care or programs related to or for the benefit of children or  
8 senior adults.

9 The Board of Directors shall meet at least one time each  
10 calendar quarter.

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

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

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

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

23 4. Programs and services for the benefit of the children of  
24 Oklahoma, with particular emphasis on common and higher education,

1 before- and after-school and pre-school programs, substance abuse  
2 prevention and treatment programs and other programs and services  
3 designed to improve the health and quality of life of children;

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

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

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

13 G. The Legislature may enact laws to further implement the  
14 provisions of this section.

15 Section 44. A. There is hereby created a trust fund to be  
16 known as the "Oklahoma Rural Health Care Infrastructure Fund".  
17 Except for monies deposited into a special fund as set forth in  
18 subsection B of Section 40 of Article X of the Oklahoma  
19 Constitution, any monies received by the State of Oklahoma pursuant  
20 to any settlement with or judgment against any tobacco company or  
21 companies beginning January 1, 2021, shall be transferred to the  
22 Oklahoma Rural Health Care Infrastructure Fund.

23 B. There is hereby created the Board of Investors of the  
24 Oklahoma Rural Health Care Infrastructure Fund. The Board of

1 Investors shall have the duty of investing monies in the trust fund,  
2 subject to restrictions and limitations provided by law for and in  
3 accordance with laws applicable to the investment of monies in state  
4 retirement funds.

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

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

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

18 C. There is hereby created the Board of Directors of the  
19 Oklahoma Rural Health Care Infrastructure Fund. The Board of  
20 Directors shall consist of seven (7) members, one appointed by each  
21 of the following appointing authorities:

- 22 1. The Governor;
- 23 2. The President Pro Tempore of the Senate;
- 24 3. The Speaker of the House of Representatives;

- 1 4. The Attorney General;
- 2 5. The State Treasurer;
- 3 6. The State Auditor and Inspector; and
- 4 7. The State Superintendent of Public Instruction.

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

16 The Board of Directors shall meet at least one time each  
17 calendar quarter.

18 D. Earnings from the trust fund, including but not limited to,  
19 interest, dividends and realized capital gains from investments of  
20 the trust fund shall be allocated in the following manner:

- 21 1. An annual amount to the Oklahoma Rural Health Care  
22 Infrastructure Fund, not to exceed eighty percent (80%) of the total  
23 earnings;





1 This measure amends the Oklahoma Constitution. It amends  
2 Section 40 to provide that the Tobacco Settlement Endowment  
3 Trust Fund will cease receiving certain monies on December 31,  
4 2018. It also adds Section 44 to Article 10. The measure  
5 creates the Oklahoma Rural Health Care Infrastructure Fund.  
6 Monies received by the state for the Tobacco Settlement  
7 Endowment Trust Fund will be transferred to the Oklahoma Rural  
8 Health Care Infrastructure Fund beginning January 1, 2021. The  
9 trust fund would be managed by the Board of Directors. The  
10 Board of Directors would consist of members appointed by various  
11 state officials. The trust fund monies could be invested  
12 according to certain standards. A Board of Investors would have  
13 the duty of investing the trust fund monies. The chair of the  
14 Board of Investors would be the State Treasurer. Other members  
15 would be appointed by various state officials. The earnings  
16 from the trust fund shall be allocated by the Board of Directors  
17 to certain entities not to exceed certain percentages and for  
18 certain purposes. The purposes include maintaining or improving  
19 the health of Oklahomans or enhancing the provision of health  
20 care services to Oklahomans. The measure allows the Legislature  
21 to pass laws to further implement this section.

22 SHALL THE PROPOSAL BE APPROVED?

23 FOR THE PROPOSAL - YES \_\_\_\_\_

24 AGAINST THE PROPOSAL - NO \_\_\_\_\_

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

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