

ENROLLED SENATE JOINT RESOLUTION 35

ENACTED BY THE 2ND REGULAR SESSION OF THE
56TH LEGISLATURE OF THE STATE OF OKLAHOMA
NUMBERED BY THE SECRETARY OF STATE

STATE QUESTION NUMBER 800

LEGISLATIVE REFERENDUM NUMBER 373

RECEIVED: 05/03/2018

Resolution

ENROLLED SENATE
JOINT
RESOLUTION NO. 35

By: Sparks, Schulz, Treat,
Thompson, David, Floyd,
Matthews, Leewright, Bice,
Shaw, Rader, Fry, Dossett,
Ikley-Freeman, Brooks,
Pittman, Bass, Murdock,
Silk, Smalley, McCortney,
Pederson, Bergstrom,
Daniels, Boggs, Holt,
Fields, Simpson,
Stanislawski, Griffin, Yen,
Dugger, Jech, Rosino, Kidd,
Sykes, Paxton, Pugh, Allen
and Standridge of the
Senate

and

McCall, Martin, Montgomery,
Lepak and McDaniel of the
House

A Joint Resolution directing the Secretary of State to refer to the people for their approval or rejection a proposed amendment to the Constitution of the State of Oklahoma by adding a new Section 44 to Article X; creating Oklahoma Vision Fund; providing for apportionment of monies and certain deposits to Oklahoma Vision Fund; providing for certain apportionment of principal amount to the General Revenue Fund; prescribing investment standard; authorizing investment of monies in certain equity securities; providing exception to restrictions contained in Section 15 of Article X of the Oklahoma Constitution; limiting use of certain monies for debt

service of state or local government entities;
providing ballot title; and directing filing.

SUBJECT: The Vision Fund

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 the Constitution of the State of Oklahoma by adding a new Section 44 to Article X thereof, to read as follows:

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

B. The Oklahoma Vision Fund principal shall consist of:

1. Any amounts appropriated by the Legislature;

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

3. For the fiscal year beginning July 1, 2020, and for each fiscal year thereafter, five percent (5%) of total actual revenue from the gross production tax on oil and gas which percentage shall increase in increments of two-tenths percentage points each year thereafter; and

4. Investment and income returns from the fund principal.

C. Four percent (4%) of the average annual amount of the principal of the Oklahoma Vision Fund for the immediately preceding five (5) complete fiscal years, shall be apportioned to the General Revenue Fund not later than September 30 each year. The State Treasurer shall determine the balance of the Oklahoma Vision Fund as

of June 30 each year and for the preceding five (5) years in order to apportion the required amount to the General Revenue Fund each fiscal year as required by this subsection. The deposit required by this subsection shall not begin before July 1, 2020.

D. The balance of the Oklahoma Vision Fund shall be invested by the State Treasurer in a manner consistent with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims and by diversifying the investments of the Oklahoma Vision Fund so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.

E. The Oklahoma Vision Fund shall not be subject to the restriction of Section 15 of Article X of the Oklahoma Constitution with regard to investment of public funds and the monies in the Oklahoma Vision Fund may be invested in equity of lawful for-profit business enterprises, whether denominated as shares, stock, membership interests or similar equity securities.

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

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

BALLOT TITLE

Legislative Referendum No. 373

State Question No. 800

THE GIST OF THE PROPOSITION IS AS FOLLOWS:

This measure would create a new fund called the "Oklahoma Vision Fund" in the Oklahoma Constitution. Money could be appropriated to the Fund. Beginning July 1, 2020, five percent (5%) of gross

production taxes on both oil and gas would be deposited into the Fund. After that fiscal year, the percentage would increase by two-tenths percentage points each year. Other monies could be deposited into the Fund if provided by law. The State Treasurer would deposit four percent (4%) of the principal amount of the Fund into the State General Revenue Fund each year. The Fund would be subject to an investment standard known as the prudent investor rule. The Fund could be invested in stocks and similar securities. Not more than five percent (5%) of the monies in the Fund could be used for payment of debt obligations issued by the State of Oklahoma, state government entities or local government entities.

SHALL THE PROPOSAL BE APPROVED?

FOR THE PROPOSAL - YES _____

AGAINST THE PROPOSAL - NO _____

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

Passed the Senate the 2nd day of May, 2018.

Evelyn Field
Presiding Officer of the Senate

Passed the House of Representatives the 3rd day of May, 2018.

Josh Cluff
Presiding Officer of the House
of Representatives

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this 3rd
day of May, 20 18, at 11:39 o'clock P. M.
By: Amy Canton

Tod Wall
Secretary of State



Mary Fallin
Governor

RECEIVED
RECEPTIONIST

MAY 07 2018

ATTORNEY GENERAL

May 4, 2018

Hand Delivered/E-Mail

The Honorable Mike Hunter
Oklahoma State Attorney General
313 NE 21st Street
Oklahoma City, Oklahoma 73105

Re: State Question 800, Legislative Referendum 373
Subject: The Vision Fund (SJR 35)

Dear Attorney General Hunter:

You are hereby notified that Enrolled Senate Joint Resolution 35 was received in the Office of the Secretary of State on May 3, 2018. This resolution has been designated as **State Question Number 800, Legislative Referendum Number 373**.

Pursuant to 34 O.S. §9(C), this office is submitting the proposed ballot title to you for review. Please find enclosed a true and exact copy of Enrolled Senate Joint Resolution 35 on record with the Secretary of State.

If our office may be of any further assistance, please do not hesitate to contact us.

Sincerely,

A handwritten signature in black ink, appearing to read "Amy Canton".

Amy Canton
Acting Assistant Secretary of State



MIKE HUNTER
ATTORNEY GENERAL

May 14, 2018

FILED

MAY 14 2018

OKLAHOMA SECRETARY
OF STATE

Dawn Elizabeth Cash
First Assistant Attorney General

Senator Mike Schulz
President Pro Tempore
Oklahoma Senate
2300 N. Lincoln Blvd., Room 422
Oklahoma City, Oklahoma 73105

Representative Charles McCall
Speaker of the House of Representatives
2300 N. Lincoln Blvd., Room 401
Oklahoma City, Oklahoma 73105

Tod Wall, Secretary of State
Office of the Secretary of State
2300 N. Lincoln Blvd., Room 122
Oklahoma City, Oklahoma 73105-4897

Senator John Sparks
2300 N. Lincoln Blvd., Room 520B
Oklahoma City, Oklahoma 73105

Representative John Montgomery
2300 N. Lincoln Blvd., Room 304
Oklahoma City, Oklahoma 73105

Re: Ballot Title for State Question No. 800, Legislative Referendum No. 373

Dear Secretary Wall:

In accordance with the provisions of 34 O.S.Supp.2017, § 9(C), we have reviewed the proposed ballot title for the above-referenced State Question and conclude that it does not comply with applicable laws in two ways.

First, the ballot title does not completely explain the effects of the proposition because it (i) does not accurately describe the calculation of the percentage of the Oklahoma Vision Fund's principal that will be apportioned annually to the General Revenue Fund, and (ii) does not state that such apportionment will not begin before July 1, 2020. *See* 34 O.S.Supp.2017, § 9(B)(2).

Second, the ballot title contains, but does not explain, the phrase “prudent investor rule,” a term that has special meaning to investment professionals but is not commonly known to the average citizen of Oklahoma. *See id.* § 9(B)(3).

Having found that the ballot title does not comply with applicable laws, we will, in accordance with the provisions of 34 O.S.Supp.2017, § 9(C), prepare a Preliminary Ballot Title that complies with the law and furnish a copy to you within ten (10) business days.

Sincerely,

A handwritten signature in black ink, appearing to read "Dawn Cash", with a stylized flourish at the end.

Dawn Cash
First Assistant Attorney General



MIKE HUNTER
ATTORNEY GENERAL

FILED

MAY 25 2018

**OKLAHOMA SECRETARY
OF STATE**

Dawn Elizabeth Cash
First Assistant Attorney General

May 25, 2018

Senator Mike Schulz
President Pro Tempore
Oklahoma Senate
2300 N. Lincoln Blvd., Room 422
Oklahoma City, Oklahoma 73105

Representative Charles McCall
Speaker of the House of Representatives
2300 N. Lincoln Blvd., Room 401
Oklahoma City, Oklahoma 73105

Tod Wall, Secretary of State
Office of the Secretary of State
2300 N. Lincoln Blvd., Room 122
Oklahoma City, Oklahoma 73105-4897

Senator John Sparks
2300 N. Lincoln Blvd., Room 520B
Oklahoma City, Oklahoma 73105

Representative John Montgomery
2300 N. Lincoln Blvd., Room 304
Oklahoma City, Oklahoma 73105

Sent via Hand-Delivery and Electronic Mail

**Re: Preliminary Ballot Title for State Question No. 800,
Legislative Referendum No. 373**

Dear Secretary Wall:

On May 14, 2018, we notified you that the proposed ballot title for the above-referenced State Question did not comply with the requirements of 34 O.S.Supp.2017, § 9(C). In accordance with Section 9(C), we have prepared the following Preliminary Ballot Title. As a Title 34 ballot title review, the following does not constitute an Attorney General Opinion on the merits or

constitutionality of the underlying changes in the law, nor on the ability of federal law to preempt the changes in law. The Preliminary Ballot Title reads as follows:

PRELIMINARY BALLOT TITLE FOR STATE QUESTION NO. 800

This measure would add a provision to the Oklahoma Constitution creating a new trust fund. This fund would consist of (i) legislative appropriations, (ii) deposits from other sources, and (iii) investment income. Beginning July 1, 2020, 5% of revenues from the gross production tax on oil and gas will be deposited into the fund as well. The percentage of gross production tax revenues deposited into the fund will then increase by 0.2% per year.

Monies in the fund will be invested by the State Treasurer. The fund is exempt from constitutional restrictions on the State owning stock. The State Treasurer is required to make prudent investment decisions and diversify the Fund investments to minimize risk.

After July 1, 2020, 4% of the fund's principal will be deposited each year into the State's General Revenue Fund. Principal will be calculated by using an average of the fund's annual principal for the five years before the deposit. No more than 5% of the Fund may be used to pay interest on bonds issued by the State or local governments. This Fund will be called the Oklahoma Vision Fund.

SHALL THE PROPOSAL BE APPROVED?

FOR THE PROPOSAL – YES

AGAINST THE PROPOSAL – NO

Sincerely,



Dawn Cash
First Assistant Attorney General



MIKE HUNTER
ATTORNEY GENERAL

FILED

JUN 08 2018

OKLAHOMA SECRETARY
OF STATE

Dawn Elizabeth Cash
First Assistant Attorney General

June 8, 2018

Senator Mike Schulz
President Pro Tempore
Oklahoma Senate
2300 N. Lincoln Blvd., Room 422
Oklahoma City, Oklahoma 73105

Representative Charles McCall
Speaker of the House of Representatives
2300 N. Lincoln Blvd., Room 401
Oklahoma City, Oklahoma 73105

James Williamson, Secretary of State
Office of the Secretary of State
2300 N. Lincoln Blvd., Room 122
Oklahoma City, Oklahoma 73105-4897

Senator John Sparks
2300 N. Lincoln Blvd., Room 520B
Oklahoma City, Oklahoma 73105

Representative John Montgomery
2300 N. Lincoln Blvd., Room 304
Oklahoma City, Oklahoma 73105

**Re: Final Ballot Title for State Question No. 800,
Legislative Referendum No. 373**

Dear Secretary Williamson:

On May 14, 2018, we notified you that the proposed ballot title for the above-referenced State Question did not comply with the requirements of 34 O.S.Supp.2017, § 9(C), and on May 25, 2018, we prepared a preliminary ballot title in accordance with that Section. We have now prepared the following Final Ballot Title also in accordance with Section 9(C). As a Title 34 ballot



title review, the following does not constitute an Attorney General Opinion on the merits or constitutionality of the underlying changes in the law, nor on the ability of federal law to preempt the changes in law. The Final Ballot Title reads as follows:

FINAL BALLOT TITLE FOR STATE QUESTION NO. 800

This measure would add a provision to the Oklahoma Constitution creating a new trust fund. This fund would consist of (i) legislative appropriations, (ii) deposits from other sources, and (iii) investment income. Beginning July 1, 2020, 5% of revenues from the gross production tax on oil and gas will be deposited into the fund as well. The percentage of gross production tax revenues deposited into the fund will then increase by 0.2% per year.

Monies in the fund will be invested by the State Treasurer. The fund is exempt from constitutional restrictions on the State owning stock. The State Treasurer is required to make prudent investment decisions and diversify the fund's investments to minimize risk.

After July 1, 2020, 4% of the fund's principal will be deposited each year into the State's General Revenue Fund. Principal will be calculated by using an average of the fund's annual principal for the five years before the deposit. No more than 5% of the Fund may be used to pay interest on bonds issued by the State or local governments. The fund will be called the Oklahoma Vision Fund.

SHALL THE PROPOSAL BE APPROVED?

FOR THE PROPOSAL – YES

AGAINST THE PROPOSAL – NO

Respectfully submitted,



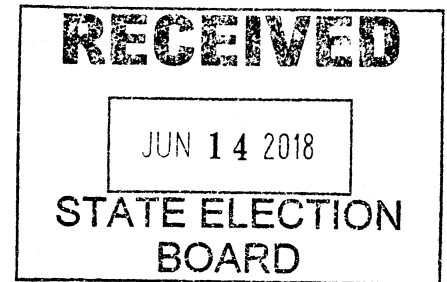
Dawn Cash
First Assistant Attorney General

James A. Williamson
Secretary of State



Mary Fallin
Governor

June 14, 2018



The Honorable Paul Ziriaux
Secretary, State Election Board
State Capitol, Room G28
Oklahoma City, Oklahoma 73105

Re: State Question 800, Legislative Referendum 373 (SJR 35)
Subject: The Vision Fund

Dear Secretary Ziriaux:

In accordance with the provisions of 34 O.S. § 9(C)(2), I herewith transmit State Question 800, Legislative Referendum 373 and attest that the enclosed copy of Senate Joint Resolution 35 is a true and accurate copy of the measure on record with this office. Also enclosed is a true and accurate copy of the Final Ballot Title, as prepared by the Attorney General.

If our office may be of any further assistance, please do let us know.

Sincerely,

A handwritten signature in black ink, appearing to read "James A. Williamson".

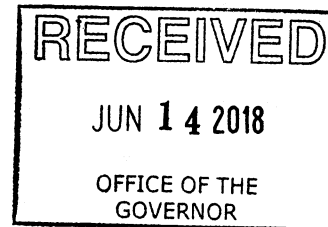
James A. Williamson
Secretary of State

James A. Williamson
Secretary of State



Mary Fallin
Governor

June 14, 2018



The Honorable Mary Fallin
Governor, State of Oklahoma
State Capitol, Room 212
Oklahoma City, Oklahoma 73105

Re: State Question 800, Legislative Referendum 373 (SJR 35)
Subject: The Vision Fund

Dear Governor Fallin:

Pursuant to 34 O.S. § 9(C)(2), the Secretary of State has transmitted to the Secretary of the State Election Board an attested copy of the above referenced measure and a copy of the Attorney General's Final Ballot Title. Please find enclosed a true and accurate copy of SJR 35, as recorded in this office, a copy of the transmittal letter addressed to the Secretary of the State Election Board, and a true and accurate copy of the Attorney General's Final Ballot Title on record with this office.

If there are any questions, please do not hesitate to contact our office.

Sincerely,

A handwritten signature in black ink, appearing to read "James A. Williamson".

James A. Williamson
Secretary of State