

ENROLLED SENATE JOINT RESOLUTION 27

ENACTED BY THE 2ND REGULAR SESSION OF THE
57TH LEGISLATURE OF THE STATE OF OKLAHOMA
NUMBERED BY THE SECRETARY OF STATE

STATE QUESTION NUMBER 814

LEGISLATIVE RERERENDUM NUMBER 375

RECEIVED: 05/15/2020

Resolution

ENROLLED SENATE
JOINT
RESOLUTION NO. 27

By: David and Bergstrom of the
Senate

and

Wallace 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 Section 40 of Article X of the Oklahoma Constitution; modifying the amounts of certain deposits; specifying purpose of appropriation; providing ballot title; and directing filing.

SUBJECT: Tobacco Settlement Endowment Trust Fund

BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE 2ND 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, the following proposed amendment to Section 40 of Article X of the Oklahoma Constitution to read as follows:

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

B. 1. Deposits into the trust fund from monies which are received by the State of Oklahoma pursuant to any settlement with or judgment against any tobacco company or companies shall be based on 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 each fiscal year thereafter</u>	<u>25%</u>

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

~~3.~~ The monies received by the State of Oklahoma pursuant to any settlement with or judgment against any tobacco company or companies after June 30, 2001, not deposited into the trust fund as provided in this section, shall be deposited into a special fund established by the Legislature solely for the purpose of receiving the payments; provided, the Legislature may, by law, direct a certain portion of such monies to the Office of the Attorney General. The special fund shall be subject to legislative appropriations and shall be appropriated and expended to draw down federal matching funds for the Medicaid program.

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

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

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

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

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

1. The Governor;
2. The President Pro Tempore of the Senate;
3. The Speaker of the House of Representatives;
4. The Attorney General;
5. The State Treasurer;

6. The State Auditor and Inspector; and
7. The State Superintendent of Public Instruction.

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

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

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

1. Clinical and basic research and treatment efforts in Oklahoma for the purpose of enhancing efforts to prevent and combat cancer and other tobacco-related diseases;
2. Cost-effective tobacco prevention and cessation programs;
3. Programs other than those specified in paragraph 1 of this subsection designed to maintain or improve the health of Oklahomans or to enhance the provision of health care services to Oklahomans, with particular emphasis on such programs for children;
4. Programs and services for the benefit of the children of Oklahoma, with particular emphasis on common and higher education, before- and after-school and pre-school programs, substance abuse prevention and treatment programs and other programs and services designed to improve the health and quality of life of children;

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

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

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

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

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. 375 State Question No. 814

THE GIST OF THE PROPOSITION IS AS FOLLOWS:

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

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 15th day of May, 2020.

Brent Howard
Presiding Officer of the Senate

Passed the House of Representatives the 14th day of May, 2020.

[Signature]
Presiding Officer of the House
of Representatives

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this 15th
day of May, 20 20, at 2:24 o'clock P. M.
By: Amy Canton

Michael Rogers
Secretary of State and Education



J. Kevin Stitt
Governor

OKLAHOMA SECRETARY OF STATE

May 26, 2020

Interagency Mail/E-Mail

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

**Re: State Question 814, Legislative Referendum 375 (Subject: Tobacco Settlement
Endowment Trust Fund - SJR 27)**

Dear Attorney General Hunter:

You are hereby notified that Enrolled Senate Joint Resolution 27 was received in the Office of the Secretary of State on May 15, 2020. This resolution has been designated as **State Question Number 814, Legislative Referendum Number 375**.

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 27, 57th Legislature, 2nd Regular Session, 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
Director, Executive Legislative Services
amy.canton@sos.ok.gov / 405-522-4565



MIKE HUNTER
ATTORNEY GENERAL

FILED

JUN 02 2020

OKLAHOMA SECRETARY,
OF STATE

Dawn Elizabeth Cash
First Assistant Attorney General

June 2, 2020

Senator Greg Treat
President Pro Tempore
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

Michael Rogers, Secretary of State
2300 N. Lincoln Blvd., Suite 212
Oklahoma City, Oklahoma 73105

Senator Kim David
2300 N. Lincoln Blvd., Room 421
Oklahoma City, Oklahoma 73105

Senator Micheal Bergstrom
2300 N. Lincoln Blvd., Room 426
Oklahoma City, Oklahoma 73105

Representative Kevin Wallace
2300 N. Lincoln Blvd., Room 200
Oklahoma City, Oklahoma 73105

Re: Ballot Title for State Question No. 814, Legislative Referendum No. 375

Dear Secretary of State Rogers:

In accordance with 34 O.S.Supp.2019, § 9(C), we have reviewed the proposed ballot title for the above-referenced State Question and concluded that it does not comply with applicable law. Specifically, it does not explain the effects of the proposition, as required under 34 O.S.Supp.2019, § 9(B)(2), in the following ways:

1. The proposed ballot title does not include the current percentage of funds from settlements with or judgments against tobacco companies that is deposited into the Tobacco Settlement Endowment Trust Fund (the "Trust Fund") or the change in that percentage that will result from approval of the State Question.
2. The proposed ballot title does not explain the permissible uses of monies generated by the Trust Fund, which would receive a smaller percentage of proceeds from settlements with or judgments against tobacco companies if the State Question is approved.

3. The proposed ballot title does not explain that OKLA. CONST. art. X, § 40, in its current form, places no restrictions on legislative appropriations from the special legislative fund, but if the State Question is approved, monies in the fund must be appropriated and expended to draw down federal matching funds for the Medicaid program.

Having found that the ballot title does not comply with applicable law, we will, in accordance with 34 O.S.Supp.2019, § 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", written in a cursive style.

Dawn Cash
First Assistant Attorney General



MIKE HUNTER
ATTORNEY GENERAL

FILED

JUN 16 2020

**OKLAHOMA SECRETARY
OF STATE**

Dawn Elizabeth Cash
First Assistant Attorney General

June 16, 2020

Senator Greg Treat
President Pro Tempore
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
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Senator Micheal Bergstrom
2300 N. Lincoln Blvd., Room 426
Oklahoma City, Oklahoma 73105

Representative Kevin Wallace
2300 N. Lincoln Blvd., Room 200
Oklahoma City, Oklahoma 73105

**Re: Preliminary Ballot Title for State Question No. 814,
Legislative Referendum No. 375**

Dear Secretary Rogers:

On June 2, 2020, 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.2019, § 9(C). In accordance with Section 9(C), we have prepared the enclosed Preliminary Ballot Title. As a Title 34 ballot title review, the following does not constitute an Attorney General Opinion as to the merits or constitutionality of the underlying changes in the law, nor as to whether the changes in law may be preempted by federal law.

Sincerely,

Dawn Cash
First Assistant Attorney General

PRELIMINARY BALLOT TITLE FOR STATE QUESTION NO. 814

This measure seeks to amend Article 10, Section 40 of the Oklahoma Constitution (“Section 40”), which directs proceeds from the State’s settlements with or judgments against tobacco companies. Currently, Section 40 directs 75% of proceeds to the Tobacco Settlement Endowment Trust Fund (“TSET Fund”), where earnings may only be used for tobacco prevention programs, cancer research, and other such programs to maintain or improve the health of Oklahomans. Meanwhile, the remaining 25% of proceeds are directed to a separate fund for the Legislature (“Legislative Fund”). The Legislature can also direct some of that 25% to the Attorney General.

This measure amends Section 40 to reduce the percentage of proceeds that go into the TSET Fund from 75% to 25%. As a result, the remaining 75% will go to the Legislative Fund and the Legislature may continue to direct a portion to the Attorney General.

The measure would also restrict the use of the Legislative Fund. Section 40 currently states only that the Legislative Fund is subject to legislative appropriation. If this measure passes, money from the Legislative Fund must be used to get federal matching funds for Oklahoma’s Medicaid Program.

SHALL THE PROPOSAL BE APPROVED?

FOR THE PROPOSAL – YES

AGAINST THE PROPOSAL – NO



MIKE HUNTER
ATTORNEY GENERAL

FILED

JUL 08 2020

**OKLAHOMA SECRETARY
OF STATE**

Dawn Elizabeth Cash
First Assistant Attorney General

July 8, 2020

Senator Greg Treat
President Pro Tempore
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

Michael Rogers, Secretary of State
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Senator Micheal Bergstrom
2300 N. Lincoln Blvd., Room 426
Oklahoma City, Oklahoma 73105

Representative Kevin Wallace
2300 N. Lincoln Blvd., Room 200
Oklahoma City, Oklahoma 73105

**Re: Final Ballot Title for State Question No. 814,
Legislative Referendum No. 375**

Dear Secretary of State Rogers:

On June 2, 2020, 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.2019, § 9(C), and on June 16, 2020, we prepared a preliminary ballot title in accordance with that Section. We have now prepared the enclosed Final Ballot Title, also in accordance with Section 9(C). This does not constitute an Attorney General Opinion as to the merits or constitutionality of the underlying changes in the law, nor as to whether the changes in law may be preempted by federal law.

Sincerely,

A handwritten signature in black ink, appearing to read "Dawn Elizabeth Cash".

Dawn Cash
First Assistant Attorney General

FINAL BALLOT TITLE FOR STATE QUESTION NO. 814

This measure seeks to amend Article 10, Section 40 of the Oklahoma Constitution (“Section 40”), which directs proceeds from the State’s settlements with or judgments against tobacco companies. Currently, Section 40 directs 75% of proceeds to the Tobacco Settlement Endowment Trust Fund (“TSET Fund”), where earnings may only be used for tobacco prevention programs, cancer research, and other such programs to maintain or improve the health of Oklahomans. Meanwhile, the remaining 25% of proceeds are directed to a separate fund for the Legislature (“Legislative Fund”). The Legislature can also direct some of that 25% to the Attorney General.

This measure amends Section 40 to reduce the percentage of proceeds that go into the TSET Fund from 75% to 25%. As a result, the remaining 75% will go to the Legislative Fund and the Legislature may continue to direct a portion to the Attorney General.

The measure would also restrict the use of the Legislative Fund. Section 40 currently states only that the Legislative Fund is subject to legislative appropriation. If this measure passes, money from the Legislative Fund must be used to get federal matching funds for Oklahoma’s Medicaid Program.

SHALL THE PROPOSAL BE APPROVED?

FOR THE PROPOSAL – YES

AGAINST THE PROPOSAL – NO

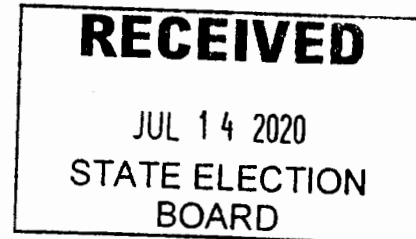
Michael Rogers
Secretary of State and Education



J. Kevin Stitt
Governor

OKLAHOMA SECRETARY OF STATE

July 14, 2020



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

Re: SOS certification of the Final Ballot Title, as prepared by the Attorney General, for State Question 814, Legislative Referendum 375

Dear Secretary Ziriak:

In accordance with the provisions of 34 O.S. § 9(C)(2), I herewith transmit State Question 814, Legislative Referendum 375 and attest that the enclosed copy of Senate Joint Resolution 27 (Subject: Tobacco Settlement Endowment) 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 that reads "Michael Rogers".

Michael Rogers
Secretary of State

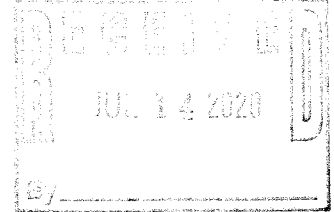
Michael Rogers
Secretary of State and Education



J. Kevin Stitt
Governor

OKLAHOMA SECRETARY OF STATE

July 14, 2020



The Honorable Kevin Stitt
Governor, State of Oklahoma
State Capitol, Room 212
Oklahoma City, Oklahoma 73105

Re: SOS certification of the Final Ballot Title, as prepared by the Attorney General, for State Question 814, Legislative Referendum 375

Dear Governor Stitt:

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 Final Ballot Title, as prepared by the Attorney General. Please find enclosed a true and accurate copy of SJR 12 (Subject: Tobacco Settlement Endowment), 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 that reads 'Michael Rogers'.

Michael Rogers
Secretary of State



FILED

AUG 12 2020

OKLAHOMA SECRETARY
OF STATE

J. Kevin Stitt
Office of the Governor
State of Oklahoma

**EXECUTIVE DEPARTMENT
EXECUTIVE PROCLAMATION**

I, J. Kevin Stitt, Governor of the State of Oklahoma, pursuant to the provisions of Section 3 of Article V and Section 1 of Article XXIV of the Oklahoma Constitution, Section 12 of Title 34 of the Oklahoma Statutes, and the referral by the Secretary of State, do hereby declare that Legislative Referendum Number 375, State Question 814, be submitted to qualified electors of the State of Oklahoma for their approval or rejection at the general election to be held statewide on Tuesday, November 3, 2020.

The substance of the measure is as follows:

State Question 814 amends Article 10, Section 40 of the Oklahoma Constitution which directs proceeds from the State's settlements with or judgments against tobacco companies. The measure reduces the percentage of proceeds that go into the Tobacco Settlement Endowment Trust Fund ("TSET Fund") from 75% to 25%. As a result, the remaining 75% will go to a separate fund for the Legislature (the "Legislative Fund") and the Legislature may continue to direct a portion to the Attorney General. The measure would also restrict the use of the Legislative Fund and require money from the Legislative Fund be used to get federal matching funds for Oklahoma's Medicaid Program.

Copies of this Executive Proclamation shall be delivered to the Secretary of State, the Speaker of the House of Representatives, the President Pro Tempore of the Senate, and the Secretary of the State Election Board.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Oklahoma to be affixed at Oklahoma City, Oklahoma this 12th day of August, 2020.

BY THE GOVERNOR OF THE STATE OF OKLAHOMA

J. KEVIN STITT



ATTEST

MICHAEL ROGERS, Secretary of State

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