

1 STATE OF OKLAHOMA

2 1st Extraordinary Session of the 56th Legislature (2017)

3 HOUSE BILL 1077

By: Montgomery

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7 AS INTRODUCED

8 An Act relating to public finance; enacting the
9 Oklahoma Vision Act; creating Oklahoma Vision Fund;
10 providing for apportionment of revenues into fund;
11 providing for investment of funds; defining
12 investment earnings; providing for reinvestment of
13 earnings in corpus of fund; providing for use of
14 investment earnings to pay certain expenses;
15 providing for transfer of funds to the Oklahoma
16 Center for the Advancement of Science and Technology;
17 providing for transfer of funds to certain subfunds;
18 providing for alternative apportionment based on
19 income tax collections exceeding certain threshold;
20 providing for transfer of funds to the State Regents
21 for Higher Education; providing for transfer of funds
22 to common school districts; requiring State Auditor
23 and Inspector to perform audit of Oklahoma Vision
24 Fund; prescribing requirements of audit; and
providing for codification.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 4101 of Title 62, unless there
is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "Oklahoma Vision
Act".

1 SECTION 2. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 4102 of Title 62, unless there
3 is created a duplication in numbering, reads as follows:

4 A. There is hereby created in the State Treasury a fund to be
5 known and designated as the "Oklahoma Vision Fund". The fund shall
6 be a continuing fund, not subject to fiscal year limitations.

7 B. The Oklahoma Vision Fund shall consist of:

8 1. Fifty percent (50%) of the balance revenue derived from the
9 Cash-flow Reserve Fund pursuant to the provisions of Section 34.54
10 of Title 62 of the Oklahoma State Statutes;

11 2. One-quarter of one percent (0.25%) of actual revenue
12 deposited to the credit of the General Revenue Fund for each fiscal
13 year;

14 3. Any amounts appropriated by the Legislature;

15 4. Any amounts accruing to the balance of the subfunds known as
16 the Higher Education Research and Development Fund and the Education
17 Vision Fund; and

18 5. Beginning with fiscal year 2018, ten percent (10%) of
19 revenue identified as "legislated revenue adjustments" presented to
20 the State Board of Equalization in June each year.

21 C. The balance of the Vision Fund shall be invested in a manner
22 consistent with the care, skill, prudence and diligence under the
23 circumstances then prevailing that a prudent person acting in a like
24 capacity and familiar with such matters would use in the conduct of

1 an enterprise of a like character and with like aims and by
2 diversifying the investments of the Oklahoma Vision Fund so as to
3 minimize the risk of large losses, unless under the circumstances it
4 is clearly prudent not to do so.

5 SECTION 3. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 4103 of Title 62, unless there
7 is created a duplication in numbering, reads as follows:

8 A. Investment earnings shall consist of any amount returned in
9 the form of interest, dividend income or realized capital gains to
10 the extent applicable.

11 B. Until such time as the ten-year average of total investment
12 earnings for the previous fiscal year shall equal the ten-year
13 moving average of the collections from the personal income tax and
14 corporate income tax as derived from the levy of income tax by
15 Section 2355 of Title 68 of the Oklahoma Statutes, eighty percent
16 (80%) of the investment earnings from the investment of the corpus
17 of the Oklahoma Vision Fund shall be reinvested in the corpus of the
18 Oklahoma Vision Fund. Two percent (2%) of the investment earnings
19 may be used for the administration expenses of the management of the
20 Oklahoma Vision Fund and its subfunds. One percent (1%) of the
21 investment earnings shall be transferred to the Oklahoma Center for
22 the Advancement of Science and Technology. Five percent (5%) of the
23 investment earnings shall be deposited to the credit of a subfund of
24 the Oklahoma Vision Fund to be known as the Higher Education

1 Research and Development Fund. Ten percent (10%) of the investment
2 earnings shall be deposited to the credit of a subfund to be known
3 as the Common Schools Vision Fund.

4 C. At such time that ten-year moving average investment
5 earnings equal the ten-year moving average of personal income and
6 corporate income tax collections to the General Revenue Fund, all
7 apportionments listed in subsection B of this section shall cease to
8 be operative and one percent (1%) of investment earnings may
9 continue to be used by the Office of the State Treasurer to manage
10 the Oklahoma Vision Fund, and an additional five percent (5%) shall
11 continue to be deposited to the credit of the Oklahoma Vision Fund,
12 twenty-five percent (25%) of investment earnings shall be used to
13 remit by June 1 of each year an amount proportional to the amount of
14 income taxes paid for individual income taxpayers in the most recent
15 tax filing period, fifty percent (50%) of investment earnings shall
16 be used to pay an equal amount among all individual income tax
17 filers in the most recent tax filing period, and any remaining funds
18 shall be used to remit taxes paid to corporate income tax filers in
19 the most recent tax filing period.

20 D. The investment earnings generated from the balance of the
21 Higher Education Research and Development Fund shall be transferred
22 to the State Regents for Higher Education and be expended for the
23 purpose of supporting research and development at the state's
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1 universities in the fields of health, medicine, pharmaceuticals,
2 drug development, engineering, science or math.

3 E. Seventy-five percent (75%) of the investment earnings
4 generated from the balance of the Education Vision Fund shall be
5 transferred to the common school districts based upon a proportional
6 basis of the most recently available weighted average daily
7 attendance of each school district. Five percent (5%) of the
8 investment earnings shall be reinvested to the corpus of the
9 Education Vision Fund. Twenty percent (20%) of the investment
10 earnings generated from the balance of the Education Vision Fund
11 shall be used to provide reduced price lunches for income-qualified
12 students in the common school districts of the state.

13 SECTION 4. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 4104 of Title 62, unless there
15 is created a duplication in numbering, reads as follows:

16 The State Auditor and Inspector shall conduct an audit every two
17 (2) years of the Oklahoma Vision Fund, its subaccounts, and all
18 expenditures which are otherwise derived from the Oklahoma Vision
19 Fund and report any findings to the Governor and the Legislature,
20 and make any documents pertaining to the audit publicly accessible.

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