

1 ENGROSSED HOUSE AMENDMENT
TO

2 ENGROSSED SENATE JOINT
3 RESOLUTION NO. 35

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

10 and

11 McCall, Martin and
12 Montgomery of the House

13
14 [Joint Resolution - Oklahoma Constitution - Revenue
15 Replacement Endowment Fund - ballot title - filing]
16
17

18 AUTHOR: Add the following House Coauthor: Lepak

19 AUTHOR: Add the following Senate Coauthor: Standridge

20 AMENDMENT NO. 1. Replace the stricken title, enacting clause and
21 entire bill and insert

22 "A Joint Resolution directing the Secretary of State
23 to refer to the people for their approval or
24 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 to Oklahoma

1 Vision Fund; providing for certain apportionment of
2 principal amount to the General Revenue Fund;
3 prescribing investment standard; authorizing
4 investment of monies in certain equity securities;
5 providing exception to restrictions contained in
6 Section 15 of Article X of the Oklahoma
7 Constitution; authorizing use of certain monies for
8 debt service of state or local government entities;
9 providing ballot title; and directing filing.

10 BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE
11 2ND SESSION OF THE 56TH OKLAHOMA LEGISLATURE:

12 SECTION 1. The Secretary of State shall refer to the people for
13 their approval or rejection, as and in the manner provided by law,
14 the following proposed amendment to the Constitution of the State of
15 Oklahoma by adding a new Section 44 to Article X thereof, to read as
16 follows:

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

20 B. The Oklahoma Vision Fund principal shall consist of:

21 1. Any amounts appropriated by the Legislature;
22 2. Any other deposits and apportionments from other sources as
23 may be provided by law; and

24 3. For the fiscal year beginning July 1, 2019, and for each
fiscal year thereafter:

1 a. five percent (5%) of total actual revenue from the
2 gross production tax on oil and gas which percentage
3 shall increase in increments of five-tenths percentage
4 points each year thereafter,

5 b. five percent (5%) of revenue identified by the State
6 Board of Equalization following the sine die
7 adjournment of a regular or extraordinary session of
8 the Legislature, but prior to the December meeting of
9 the State Board of Equalization, if such revenue
10 results from changes in laws passed during the course
11 of either a regular or extraordinary session of the
12 Legislature, and

13 c. five percent (5%) of such monies that constitute
14 appropriations from the General Revenue Fund which
15 have not been encumbered or expended as of the June 30
16 date ending the fiscal year for which the
17 appropriation from the General Revenue Fund was
18 originally authorized; and

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

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

1 of June 30 each year and for the preceding five (5) years in order
2 to apportion the required amount to the General Revenue Fund each
3 fiscal year as required by this subsection. The deposit required by
4 this subsection shall not begin before July 1, 2025.

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

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

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

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

6 BALLOT TITLE

7 Legislative Referendum No. _____ State Question No. _____

8 THE GIST OF THE PROPOSITION IS AS FOLLOWS:

9 This measure would create a new fund called the "Oklahoma Vision
10 Fund" in the Oklahoma Constitution. Money could be appropriated
11 to the Fund. Beginning July 1, 2019, five percent (5%) of gross
12 production taxes on both oil and gas would be deposited into the
13 Fund. After that fiscal year, the percentage would increase by
14 five-tenths percentage points each year. Other monies could be
15 deposited into the Fund if provided by law. Five percent (5%)
16 of the money which becomes cash in the state accounting system
17 would be deposited into the Fund. Five percent (5%) of tax
18 revenues which are enacted under Section 33 of Article V of the
19 Oklahoma Constitution would be deposited into the Fund. The
20 State Treasurer would deposit four percent (4%) of the principal
21 amount of the Fund into the State General Revenue Fund each
22 year. The Fund would be subject to an investment standard known
23 as the prudent investor rule. The Fund could be invested in
24 stocks and similar securities. Not more than five percent (5%)

1 of the monies in the Fund could be used for payment of debt
2 obligations issued by the State of Oklahoma, state government
3 entities or local government entities.

4 SHALL THE PROPOSAL BE APPROVED?

5 FOR THE PROPOSAL - YES _____

6 AGAINST THE PROPOSAL - NO _____

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

12 Passed the House of Representatives the 16th day of April, 2018.

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15 _____
16 Presiding Officer of the House of
Representatives

17 Passed the Senate the ____ day of _____, 2018.

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20 _____
21 Presiding Officer of the Senate
22
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24

1 ENGROSSED SENATE
JOINT
2 RESOLUTION NO. 35

By: Sparks, Schulz, Treat,
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16 Montgomery of the House

17 [Joint Resolution - Oklahoma Constitution - Revenue
18 Replacement Endowment Fund - ballot title - filing]
19

20 BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE
21 1ST SESSION OF THE 56TH OKLAHOMA LEGISLATURE:

22 SECTION 4. The Secretary of State shall refer to the people for
23 their approval or rejection, as and in the manner provided by law,
24 the following proposed amendment to the Oklahoma Constitution by
adding a new Section 44 to Article X to read as follows:

Section 44. A. There is hereby created in the State Treasury
an endowment fund to be designated the "Revenue Replacement

1 Endowment Fund" to support the operation of state government. The
2 endowment fund principal shall consist of annual deposits of at
3 least five percent (5%) of the total collections of the gross
4 production tax for each fiscal year levied on the production of oil
5 and gas prior to any other apportionment of the gross production
6 tax, income and investment return on endowment fund principal, and
7 any other deposits and apportionments from other sources as may be
8 provided by law. The Legislature may direct that any amount above
9 five percent (5%) be deposited for a fiscal year. Funds deposited
10 in the endowment fund shall be invested in the types of instruments
11 in which the State Treasurer is authorized by law to invest.

12 B. There is hereby created in the State Treasury a revolving
13 fund to be designated the "Revenue Replacement Revolving Fund". The
14 fund shall be a continuing fund, not subject to fiscal year
15 limitations, and shall consist of deposits from the Revenue
16 Replacement Endowment Fund and any other deposits as the Legislature
17 may direct. Subject to the provisions of this subsection, all funds
18 accruing to the credit of the revolving fund are hereby appropriated
19 and may be budgeted and expended for fiscal years beginning July 1,
20 2017, in the same manner as the General Revenue Fund is expended;
21 provided, no monies in the revolving fund may be used for debt
22 service payments due on bonds or other financing instruments issued
23 by the State of Oklahoma, counties, municipalities, authorities,

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1 commissions, political subdivisions or any other governmental
2 entities.

3 C. Beginning on July 1, 2018, and on July 1 every year
4 thereafter, no more than four percent (4%) of the balance of the
5 Revenue Replacement Endowment Fund shall be transferred from the
6 Endowment Fund into the Revenue Replacement Revolving Fund.

7 SECTION 5. The Ballot Title for the proposed Constitutional
8 amendment as set forth in SECTION 1 of this resolution shall be in
9 the following form:

10 BALLOT TITLE

11 Legislative Referendum No. _____ State Question No. _____

12 THE GIST OF THE PROPOSITION IS AS FOLLOWS:

13 This measure amends the Oklahoma Constitution. It will add a
14 new Section 44 to Article 10. It will create an endowment fund
15 to be used for state government expenses. At least five
16 percent (5%) of the gross production tax will fund the
17 endowment fund every year. The funds will be invested. Every
18 year no more than four percent (4%) of the funds in the
19 endowment fund will be taken out. This amount will go to a
20 fund that can be spent on state government like general
21 revenue. However, it cannot be spent on debt service on bonds.

22 SHALL THE PROPOSAL BE APPROVED?

23 FOR THE PROPOSAL - YES _____

24 AGAINST THE PROPOSAL - NO _____

1 SECTION 6. The President Pro Tempore of the Senate shall,
2 immediately after the passage of this resolution, prepare and file
3 one copy thereof, including the Ballot Title set forth in SECTION 2
4 hereof, with the Secretary of State and one copy with the Attorney
5 General.

6 Passed the Senate the 14th day of March, 2018.

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Presiding Officer of the Senate

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10 Passed the House of Representatives the ____ day of _____,
11 2018.

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Presiding Officer of the House
of Representatives

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