

ATTORNEY GENERAL: SCHOOL FUND PRINCIPAL INVIOATE

By Shawn Ashley
Staff Writer

■(GIT) The principal in the constitutionally-established permanent school fund should not be diminished but can be used to guarantee bonds issued by state school districts when certain conditions are met, according to a recently-released opinion from the Attorney General's office.

Rob Johnson, secretary of the Commissioners of the Land Office, posed two questions in his request for the Attorney General's opinion:

- Whether the principal of the permanent school fund is inviolate and not subject to being diminished or diverted for any other use or purpose than for the benefit of the state's common schools; and

- Whether the Commissioners of the Land Office's bond guarantee is legal and binding upon the permanent school fund.

According to the opinion prepared by Senior Assistant Attorney General Neal Leader:

- Sections 7 and 9 of the Oklahoma Enabling Act, 34 Stat. 267, 272, 274 (1906), and Section 2 of Article Eleven of the Oklahoma Constitution provide that the permanent school fund consist of all proceeds from the sale of public lands given by the United States for the use and benefit of the common schools; all per centum as may be granted by the United States on the sale of public lands; \$5 million appropriated to the state for the use and benefit of the common schools; the proceeds of all property that fall to the state by escheat; the proceeds of all gifts or donations to the state for the common schools; and such other

appropriations, gifts or donations that shall be made by the legislature for the benefit of the common schools;

- "In accepting the grants made by the federal government in establishing the permanent school fund, the state in Article Eleven, subsection 2 of the Oklahoma Constitution required that the permanent school fund may only be used for the purpose and benefit of the state's common schools, and that the principal of the fund shall be deemed a trust which shall 'forever remain inviolate' — that is, it shall forever remain intact." That provision also requires that the state reimburse the fund for all losses which may in any manner occur, and that no portion of the fund shall be converted for any other use or purpose;

- Article Ten, subsection 15(E) of the Oklahoma Constitution and legislation enacted in accordance with that provision — 70 O.S. Supp. 1995, subsections 15-202 through 15-211, permits the principal of the permanent school fund, when the conditions required in those provisions are met, to be used to guarantee bonds issued by school districts; and

- Bond guarantees issued by the Commissioners of the Land Office in compliance with the previously mentioned constitutional provisions and state statutes are binding legal obligations which pledge the permanent school fund to guarantee bond issues of the school districts of the state.

(Opinion No. 96-77)

Election Board, cont. from page 1 registration cards and absentee ballots, and the mail has been returned. If they fail to respond to a letter from the board and fail to vote in the next two general elections, Ward said, their names, too, will be removed from the voting rolls.

The final group is made up of those registered voters who have not voted in the past two general elections, 1994 and 1996. They will receive a letter, according to Ward, asking that they confirm their place of residence.

"Everyone who responds to that letter," Ward said, "will remain on the voter rolls. If, however, they fail to respond and do not vote in the next two general elections, they, like those in the other two groups, will be removed from the rolls."

Once a person is removed from the rolls, Ward added, they are not completely removed from the election process. They are free, he explained, to re-register and to vote in future elections.

BANKERS SEEK MORE FUNDS FROM LEGISLATURE

By Michelle Boyd Waters
Staff Writer

■(GIT) The Oklahoma Legislature is essentially assessing an additional tax on state banks by keeping surplus funds for its own uses, said Banking Commissioner Mick Thompson at the State Banking Board meeting on Tuesday.

State bankers are working on a legislative proposal as part of a code review bill to change the law so that the department can keep a greater percentage of the fees the banks pay.

Thompson said the extra funds would be used to fund the understaffed and underfunded Oklahoma State Banking Department. He said that the federal government recently mandated an increase in salaries and travel compensation, but did not provide additional funds to pay for them.

"If we don't need it, the banks shouldn't pay it," Thompson said, referring to the fees collected from banks. The banks already pay a corporate tax like all for-profit businesses.

The banking department assesses fees on each state-chartered bank based on the amount of 21 cents per \$1,000 of asset value.

Thompson said the department collects the fees and then writes a check to be deposited in the general fund. The legislature then appropriates a dollar amount of money back to the department's budget.

The banking department collected approximately \$3 million from state banks for fiscal year 1996. However, the legislature appropriated 72.62 percent of the funds back to the department, or approximately \$2.2 million. The government kept \$828,003 in the general fund for its own use.

In FY 1995, the legislature appropriated 76.86 percent of the deposited back to the banking department. In FY 1990, the legislature appropriated 90.84 percent of the funds to the department.

The legislature kept \$667,28 in the general fund for FY 1995 and \$224,020 for FY 1990.

"Nowadays, for the sake of the advantage which is to be gained from the public revenues and from office, men want to be always in office."

Aristotle
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