

**OKLAHOMA CONSTITUTION**  
**ARTICLE XI - STATE AND SCHOOL LANDS**

SECTION XI-1

Acceptance of grants and donations - Pledge of faith of state.

The State hereby accepts all grants of land and donations of money made by the United States under the provisions of the Enabling Act, and any other Acts of Congress, for the uses and purposes and upon the conditions, and under the limitations for which the same are granted or donated; and the faith of the State is hereby pledged to preserve such lands and moneys and all moneys derived from the sale of any of said lands as a sacred trust, and to keep the same for the uses and purposes for which they were granted or donated.

SECTION XI-2

Permanent school fund - How constituted - Use - Reimbursement for losses.

All proceeds of the sale of public lands that have heretofore been or may be hereafter given by the United States for the use and benefit of the common schools of this State, all such per centum as may be granted by the United States on the sales of public lands, the sum of five million dollars appropriated to the State for the use and benefit of the common schools in lieu of sections sixteen and thirty-six, and other lands of the Indian Territory, the proceeds of all property that shall fall to the State by escheat, the proceeds of all gifts or donations to the State for common schools not otherwise appropriated by the terms of the gifts, and such other appropriations, gifts, or donations as shall be made by the Legislature for the benefit of the common schools, shall constitute the permanent school fund, the income from which shall be used for the maintenance of the common schools in the State. The principal shall be deemed a trust fund held by the State, and shall forever remain inviolate. It may be increased, but shall never be diminished. The State shall reimburse said permanent school fund for all losses thereof which may in any manner occur, and no portion of said fund shall be diverted for any other use or purpose.

SECTION XI-3

Interest and income - Use and apportionment.

The interest and income of the permanent school fund, the net income from the leasing of public lands which have been or may be granted by the United States to the State for the use and benefit of the common schools, together with any revenues derived from taxes authorized to be levied for such purposes, and any other sums which may be added thereto by law, shall be used and applied each year for the benefit of the common schools of the State, and shall be, for this purpose, apportioned among and between all the several common school districts of the State in proportion to the school population of the several districts, and no part of the fund shall ever be diverted from this purpose, or used for any other purpose than the

support and maintenance of common schools for the equal benefit of all the people of the State.

#### SECTION XI-4

Sale of lands for charitable, penal, educational and public purposes.

All public lands set apart to the State by Congress for charitable, penal, educational, and public building purposes, and all lands taken in lieu thereof, may be sold by the State, under such rules and regulations as the Legislature may prescribe, in conformity with the regulations of the Enabling Act.

#### SECTION XI-5

University and college lands - Control of institutions - Diversion of funds.

Section thirteen in every portion of the State, which has been granted to the State, shall be preserved for the use and benefit of the University of Oklahoma and the University Preparatory School, one-third; of the normal schools now established, or hereafter to be established, one-third; and of the Agricultural and Mechanical College and Colored Agricultural and Normal University, one-third. The said lands or the proceeds thereof as above apportioned to be divided between the institutions as the Legislature may prescribe: Provided, That the said lands so reserved, or the proceeds of the sale thereof, or of any indemnity lands granted in lieu of section thirteen shall be safely kept or invested and preserved by the State as a trust, which shall never be diminished, but may be added to, and the income thereof, interest, rentals, or otherwise, only shall be used exclusively for the benefit of said educational institutions. Such educational institutions shall remain under the exclusive control of the State and no part of the proceeds arising from the sale or disposal of any lands granted for educational purposes, or the income or rentals thereof, shall be used for the support of any religious or sectarian school, college, or university, and no portion of the funds arising from the sale of sections thirteen or any indemnity lands selected in lieu thereof, either principal or interest, shall ever be diverted, either temporarily or permanently, from the purpose for which said lands were granted to the State.

#### SECTION XI-6

Investment of permanent common school and other educational funds.

A. The permanent common school and other educational funds may be invested in first mortgages upon good and improved farm lands within the state (and in no case shall more than fifty per centum (50%) of the reasonable valuation of the lands without improvements be loaned on any tract) and any other investments as authorized by law.

B. The Commissioners of the Land Office shall be responsible for the investment of the permanent common school and other educational funds, and public building funds solely in the best interests of the beneficiaries and:

1. For the exclusive purpose of providing maximum benefits to current and future beneficiaries, and defraying reasonable expenses of administering the trust funds;

2. With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like enterprise of a like character and like aim would use;

3. By diversifying the investments of the trust funds so as to minimize the risk of large losses; and

4. In accordance with the law, documents and instruments governing the administration and investment of the permanent common school and other educational funds and public building funds.

C. The Legislature shall provide by law conditions upon which the permanent common school fund, other educational funds and public building funds may be loaned or invested and shall do all things necessary for the safety of the funds and permanency of the investment.

Amended by State Question No. 362, Legislative Referendum No. 108, adopted at primary election held on July 6, 1954; State Question No. 442, Legislative Referendum No. 158, adopted at election held on Aug. 27, 1968; State Question No. 481, Legislative Referendum No. 187, adopted at election held on Dec. 7, 1971; State Question No. 599, Legislative Referendum No. 261, adopted at election held on Aug. 26, 1986; State Question No. 665, Legislative Referendum No. 299, adopted at election held on Nov. 8, 1994.

#### SECTION XI-7

Grants of commercial and agricultural leases in trust property.

The Commissioners of the Land Office are authorized to grant commercial leases and agricultural leases in trust property.

Commercial leases shall not exceed fifty-five (55) years. The granting of any commercial lease in excess of three (3) years shall be by public bidding at not less than fair market value. All commercial leases shall provide for fair market value throughout the term of the lease.

Agricultural leases of trust property shall be limited to a maximum of five (5) years and shall be by public bidding at not less than fair market value.

The granting of any interest in trust property at less than fair market value or not in compliance with this section is void.

Any permanent improvement made on commercial trust property from and after the passage of this amendment shall revert to the trust at the end of the lease.

The Legislature shall enact the laws necessary to implement the provisions of this section and to foster the fair and equitable administration of trust property.  
Added by State Question No. 617, Legislative Referendum No. 274, adopted at election held on Aug. 23, 1988. Addition proposed by Laws 1988, p. 1879, H.J.R. No. 1050, § 1.