

1                           **SENATE FLOOR VERSION**

2                           February 17, 2025

3 COMMITTEE SUBSTITUTE  
4 FOR  
SENATE BILL NO. 957

By: Alvord of the Senate

5                           and

6                           Lawson of the House

7

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9                           [ public finance - investment - codification -  
effective date ]

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

13                         SECTION 1.        NEW LAW        A new section of law to be codified  
14       in the Oklahoma Statutes as Section 348 of Title 62, unless there is  
15       created a duplication in numbering, reads as follows:

16                         A.   The governing board of any political subdivision of this  
17       state, as defined by Section 152 of Title 51 of the Oklahoma  
18       Statutes, may authorize a written investment policy, ordinance, or  
19       resolution permitting and directing the treasurer or other duly  
20       authorized officer or employee of the political subdivision to  
21       invest public funds. Any written investment policy shall address  
22       liquidity, diversification, safety of principal, yield, maturity and  
23       quality, and capability of investment management, with primary  
24       emphasis on safety and liquidity in the investment of funds. A

1 written investment policy shall, to the extent practicable, provide  
2 for the use of competitive bids when purchasing brokered securities.  
3 However, this section shall not be construed as preventing the use  
4 of sound investment judgment when purchasing brokered securities.

5       B. The written policy, ordinance, or resolution may authorize  
6 the treasurer or other duly authorized officer or employee of the  
7 political subdivision to purchase and invest in any or all of the  
8 following:

9           1. Direct obligations of the federal government, the payment of  
10 which the full faith and credit of the federal government is  
11 pledged, its agencies, or its instrumentalities; and of federal  
12 agencies or federal government-sponsored enterprise obligations,  
13 participations, or other instruments, including those issued by or  
14 fully guaranteed as to principal and interest by federal agencies or  
15 federal government-sponsored enterprises;

16           2. Obligations, the payment of which the full faith and credit  
17 of this state is pledged, or investment grade obligations of state  
18 agencies, public trusts, authorities, or instrumentalities rated A+  
19 or better by S&P Global or A1 or better by Moody's Ratings or  
20 equivalent by other securities ratings organization;

21           3. Collateralized or insured certificates of deposits of banks,  
22 savings and loan associations, savings banks, or credit unions  
23 located within the state and located out of the state when such  
24 certificates of deposits are secured by acceptable collateral;

1       4. Negotiable certificates of deposit issued by a nationally or  
2 state-chartered bank, a savings bank, a savings and loan  
3 association, or a state-licensed branch of a foreign bank;

4       5. Savings accounts or savings certificates of banks, savings  
5 and loan associations, or credit unions where the funds are either  
6 secured by acceptable collateral or fully insured by the Federal  
7 Deposit Insurance Corporation or the National Credit Union  
8 Administration;

9       6. Direct debt obligations of county, municipal, or school  
10 districts or their authorities for which an ad valorem tax may be  
11 levied or paid by bond and revenue anticipation note; and of money  
12 judgments against a county, municipal, or school district paid by  
13 bonds or bond and revenue anticipation notes issued by a public  
14 trust of which the county, municipality, or school district is a  
15 beneficiary thereof;

16       7. Prime banker's acceptances which are eligible for purchase  
17 by the Federal Reserve System and which do not exceed two hundred  
18 seventy (270) days' maturity; provided, purchase of prime banker's  
19 acceptances shall not exceed ten percent (10%) of the surplus funds  
20 of the political subdivision which may be invested according to this  
21 section; however, the restrictions of this paragraph shall not apply  
22 to purchases of prime banker's acceptances by qualified pooled  
23 investment programs established under paragraph 11 of this section;

1       8. Prime commercial paper which shall not have a maturity that  
2 exceeds one hundred eighty (180) days nor represent more than ten  
3 percent (10%) of the outstanding paper of an issuing corporation.  
4 Purchases of prime commercial paper shall not exceed seven and one-  
5 half percent (7 1/2%) of the surplus funds of the political  
6 subdivision which may be invested pursuant to this section; however,  
7 the restrictions in this paragraph shall not apply to purchases of  
8 prime commercial paper by qualified pooled investment programs  
9 established under paragraph 11 of this section;

10      9. Repurchase agreements that have underlying collateral  
11 consisting of those items specified in paragraphs 1 through 8 of  
12 this subsection;

13      10. Money market funds regulated by the United States  
14 Securities and Exchange Commission and which investments consist of  
15 those items and those restrictions specified in paragraphs 1 through  
16 9 of this subsection; or

17      11. Qualified pooled investment programs, the investments of  
18 which consist of those items specified in paragraphs 1 through 10 of  
19 this subsection. To be qualified, a pooled investment program must  
20 be governed through an interlocal cooperative agreement formed  
21 pursuant to Sections 1001 through 1008 of Title 74 of the Oklahoma  
22 Statutes.

23      C. Any political subdivision which elects to participate in a  
24 local government investment pool shall be deemed to have authorized

1 investments in the items specified in paragraphs 1 through 10 of  
2 subsection B, notwithstanding any differences in the written  
3 investment plans adopted by the governing body.

4       D. The income received on any investment may be placed in the  
5 general fund, rainy day fund, capital reserve fund, or the fund from  
6 which the investment was made.

7       E. Investments shall be made with judgment and care, under  
8 circumstances then prevailing, which persons of prudence,  
9 discretion, and intelligence exercise in the management of their own  
10 affairs, not for speculation, but for investment, considering the  
11 probable safety of their capital as well as the probable income to  
12 be derived.

13       F. This section shall not prohibit public retirement systems  
14 from investing under any other system authorized under state law.

15 SECTION 2.       REPEALER           62 O.S. 2021, Sections 348.1 and  
16 348.3, as amended by Sections 1 and 2, Chapter 78, O.S.L. 2023 (62  
17 O.S. Supp. 2024, Sections 348.1 and 384.3), are hereby repealed.

18 SECTION 3. This act shall become effective November 1, 2025.  
19 COMMITTEE REPORT BY: COMMITTEE ON REVENUE AND TAXATION  
February 17, 2025 - DO PASS AS AMENDED BY CS