

1 ENGROSSED HOUSE  
2 BILL NO. 2765

3 By: Caldwell (Trey) and Kane of  
4 the House

5 and

6

7 Hall and Haste of the  
8 Senate

9

10 An Act relating to State investing; amending 62 O.S.  
11 2021, Sections 2401, as amended by Section 2, Chapter  
12 375, O.S.L. 2024, 2402, and 2403, as amended by  
13 Section 3, Chapter 375, O.S.L. 2024 (62 O.S. Supp.  
14 2024, Sections 2401, 2402, and 2403), which relate to  
15 the Invest in Oklahoma Program; reassigning the  
16 program from the Oklahoma Center for the Advancement  
17 of Science and Technology to the State Treasurer;  
18 authorizing certain types of investments within  
19 limitation; eliminating redundant language; providing  
20 new and modifying existing requirements and  
21 limitations associated with the Invest in Oklahoma  
22 Program; authorizing approval, consent, process  
23 development duties, and oversight responsibilities to  
24 certain Board; requiring and limiting certain actions  
of the State Treasurer; authorizing the investment of  
certain funds at certain levels; defining and  
limiting certain term; authorizing and limiting the  
promulgation and establishment of rules; amending 62  
O.S. 2021, Section 71.1, which relates to the Cash  
Management and Investment Oversight Commission;  
renaming the Cash Management and Investment Oversight  
Commission the Invest in Oklahoma Board;  
restructuring Board membership; clarifying language;  
establishing specific authority and providing for the  
administration of the Board; modifying meeting  
frequency requirements; eliminating and modifying  
certain reporting requirements; establishing certain  
confirmation and approval authority and requirement;  
amending 62 O.S. 2021, Section 89.2, which relates to  
State Treasurer investments; modifying reporting  
requirements; authorizing certain investment at  
certain level; referencing defined term; authorizing  
certain actions related to custodial accounts; and  
providing an effective date.

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

4 SECTION 1. AMENDATORY 62 O.S. 2021, Section 2401, as  
5 amended by Section 2, Chapter 375, O.S.L. 2024 (62 O.S. Supp. 2024,  
6 Section 2401), is amended to read as follows:

7 Section 2401. A. ~~The Oklahoma Center for the Advancement of~~  
8 ~~Science and Technology (OCAST)~~ State Treasurer shall create an  
9 "Invest In Oklahoma" program to provide entities in this state with  
10 funds for opportunities to invest in Oklahoma-based private equity  
11 funds, venture capital funds and, growth funds. ~~Opportunities for~~  
12 ~~investment shall also include private equity funds, venture capital~~  
13 ~~funds and growth funds that make substantial investments in this~~  
14 ~~state, and direct investments in Oklahoma companies to the extent~~  
15 allowable under the Oklahoma Constitution.

16 B. ~~OCAST shall select venture capital and growth funds to~~  
17 ~~qualify for investments within the Invest In Oklahoma Program~~  
18 Subject to final approval of the Invest in Oklahoma Board, the State  
19 Treasurer may retain directly or through a contractual relationship  
20 qualified investment advisors and fiduciary managers to assist in  
21 the selection of the investments authorized under this act. Prior  
22 to submission for confirmation and approval, the State Treasurer's  
23 Office shall confirm with the Securities and Exchange Commission and  
24 Oklahoma Securities Commission that the investment advisor or

1    fiduciary manager is in good standing. The Treasurer shall choose  
2    an advisor or manager, based on factors including but not limited  
3    to:

- 4        1. Rate of return;
- 5        2. Years of operation;
- 6        3. Sufficiency of capitalization;
- 7        4. Investment performance track record;
- 8        5. Differentiation and sustainability of investment strategy;
- 9        6. Fee structure;
- 10      7. Background of limited partners; and
- 11      8. Ratio of capital invested in this state;
- 12      9. Investment professional with ten (10) or more years of  
13     experience in venture capital, private equity and real estate  
14     investing; and
- 15      10. Investment professional has experience with Oklahoma  
16     investing.

17      C. OCAST The State Treasurer acting within parameters  
18     established by the Invest in Oklahoma Board shall exercise  
19     judgement:

20      1. Exercise judgment and care, under circumstances then  
21     prevailing, which persons of prudence, discretion and intelligence  
22     exercise in the management of their own affairs, for investment,  
23     considering the probable safety of their capital as well as the  
24     probable income to be derived when determining qualifying venture

1 capital and growth funds to ensure the funds are being appropriately  
2 managed and invested.

3 ~~D. OCAST shall develop a request for proposal that includes the~~  
4 ~~factors provided in subsection B of this section. OCAST shall~~  
5 ~~maintain a list of available venture capital and growth funds which~~  
6 ~~are participating in the Invest In Oklahoma Program in which public~~  
7 ~~entities are encouraged to invest; and~~

8 2. Develop processes and procedures for requesting, accepting,  
9 and decision criteria for proposals related to investments  
10 authorized under the provisions of this act.

11 SECTION 2. AMENDATORY 62 O.S. 2021, Section 2402, is  
12 amended to read as follows:

13 Section 2402. The following public entities are encouraged to  
14 and may invest up to five percent (5%) of their rolling three (3)  
15 year assets under management with the Invest In Oklahoma Program  
16 approved venture capital and growth funds as provided in Section 2  
17 of this act:

18 1. The Board of Investors of the Tobacco Settlement Endowment  
19 Trust Fund;

20 2. The Commissioners of the Land Office;

21 3. The Teachers' Retirement System of Oklahoma;

22 4. The Oklahoma Public Employees Retirement System;

23 5. The Oklahoma Firefighters Pension and Retirement System;

24 6. The Oklahoma Police Pension and Retirement System;

- 1           7. The Oklahoma Law Enforcement Retirement System;  
2           8. The ~~State of Oklahoma~~ Uniform Retirement System for Justices  
3 and Judges; and  
4           9. The Department of Wildlife Conservation Retirement Fund.

5           B. The State Treasurer, acting within parameters established by  
6 the Invest in Oklahoma Board is authorized to and may place cash  
7 balance amounts in service with the Invest In Oklahoma program. For  
8 purposes of this subsection, the term "cash balance amounts" shall  
9 not include any monies deposited in or directed for deposit to:

- 10          1. The General Revenue Fund;  
11          2. The Revenue Stabilization Fund;  
12          3. The Education Reform Revolving Fund;  
13          4. The Rate Preservation Fund;  
14          5. Any Fund created under the Oklahoma Constitution;  
15          6. Any fund from which the Legislature through law has  
16 authorized, appropriated, or transferred monies within the preceding  
17 three (3) fiscal years; or  
18          7. Any revolving fund in the State Treasury specified for  
19 direct appropriation or authorization from the Legislature, or any  
20 revolving fund assigned to a state agency, unless such state agency  
21 specifically authorizes such investments from such fund and such  
22 authorization was approved by Invest in Oklahoma Board.

1 SECTION 3. AMENDATORY 62 O.S. 2021, Section 2403, as  
2 amended by Section 3, Chapter 375, O.S.L. 2024 (62 O.S. Supp. 2024,  
3 Section 2403), is amended to read as follows:

4 Section 2403. The ~~Oklahoma Center for the Advancement of~~  
5 ~~Science and Technology shall~~ State Treasurer may promulgate rules  
6 and establish processes and procedures as needed to ~~enforce~~  
7 implement and administer the provisions of the Invest In Oklahoma  
8 Act, provided such rules, processes, and procedures do not conflict  
9 with or contradict directives or limitations established by Invest  
10 in Oklahoma Board.

11 SECTION 4. AMENDATORY 62 O.S. 2021, Section 71.1, is  
12 amended to read as follows:

13 Section 71.1. A. There is hereby created the ~~Cash Management~~  
14 ~~and Investment Oversight Commission~~ Invest in Oklahoma Board. The  
15 Commission Board shall consist of five (5) members as follows:

16 1. The ~~Director of the Office of Management and Enterprise~~  
17 ~~Services Governor~~, or designee;

18 2. The ~~Bank Commissioner~~ Lieutenant Governor, or designee;

19 3. The ~~Administrator of the Oklahoma Department of Securities~~  
20 State Treasurer, or designee;

21 4. One citizen member appointed by the Speaker of the House of  
22 Representatives who shall have a demonstrated expertise in public or  
23 private investment finance and An appointee of the Speaker of the

1      House of Representatives who shall serve at the Speaker's pleasure;

2      and

3      5. ~~One citizen member appointed by the President Pro Tempore of~~  
4      ~~the State Senate who shall be a certified public accountant or~~  
5      ~~public accountant with a demonstrated expertise in public or private~~  
6      ~~auditing procedures and An appointee of the President Pro Tempore of~~  
7      ~~the State Senate who shall serve at the President Pro Tempore's~~  
8      pleasure.

9      B. The appointed and designated members shall have no direct or  
10     indirect business relationship with the State Treasurer or the State  
11     Treasurer's Office.

12     C. The ~~Commission~~ Governor or Governor's designee shall elect  
13     ~~from its membership a~~ serve as chairperson and vice-chairperson.  
14     Such officers shall serve one-year terms and may be reelected.  
15     There shall be an Executive Review Committee of the Cash Management  
16     and Investment Oversight Commission consisting of the Director of  
17     the Office of Management and Enterprise Services, the Bank  
18     Commissioner and the Administrator of the Oklahoma Department of  
19     Securities or their respective designees. The Director of the  
20     Office of Management and Enterprise Services shall call a meeting to  
21     organize the Executive Review Committee. The Executive Review  
22     Committee shall elect from its membership a chairperson who shall  
23     serve for a period of one (1) year and who may be reelected. The  
24

1 Executive Review Committee shall meet at such times as it deems  
2 necessary for the performance of its duties.

3 D. The Commission Board shall hold regular meetings at least  
4 once each not less than one per quarter, and at such other times as  
5 it deems necessary for the performance of its duties. The date,  
6 time and place of the meetings shall be set by the Commission  
7 chairperson. The Office of Management and Enterprise Services State  
8 Treasurer shall provide the administrative support required by the  
9 Commission Board. The Commission Board shall be staffed by the  
10 Office of Management and Enterprise Services efforts under the  
11 control of the State Treasurer who shall prepare all materials and  
12 information needed by the Commission Board to perform its duties and  
13 responsibilities. Meetings of the Commission and of the Executive  
14 Review Committee of the Commission Board shall be subject to the  
15 Oklahoma Open Meeting Act, and their records shall be public records  
16 pursuant to the Oklahoma Open Records Act.

17 E. The Commission in conjunction with the State Auditor and  
18 Inspector Board shall develop a standardized and uniform reporting  
19 system which the State Treasurer shall use to make the reports  
20 required by Section 89.7 of this title. The Commission Board shall  
21 prescribe such forms in order to obtain an objective and accurate  
22 analysis of the investment of state funds by the State Treasurer and  
23 to obtain an accurate analysis of investment performance according  
24 to an objective standard established by the Commission Board. The

1   Commission Board shall not be subject to the provisions of the  
2   Administrative Procedures Act for purposes of developing the  
3   reporting system required by this subsection. The Commission Board  
4   shall review the reports prepared by the State Treasurer pursuant to  
5   Section 89.7 of this title. The Commission Board shall review with  
6   the State Treasurer investment strategies and practices and the  
7   development of internal auditing procedures and practices. The  
8   Commission Board shall review the reports submitted by the State  
9   Treasurer and shall identify any event, transaction or trend which  
10   the Commission Board determines to represent a violation or  
11   potential violation of law or public policy regarding the investment  
12   of state funds. The Commission Board shall specifically identify  
13   its concerns or objections and shall communicate such concerns or  
14   objections in writing to the State Treasurer.

15       F. The Commission staff State Treasurer shall submit Maintain a  
16   written report available to each member of the Commission for each  
17   month of the calendar year Board which specifically identifies  
18   entities with whom or with which the State Treasurer has transacted  
19   business related to investment of any state funds during the  
20   applicable reporting period. Any person or entity to whom or to  
21   which any form of compensation has been or will be paid for services  
22   rendered to the State Treasurer's Office related to the investment  
23   of state funds shall be identified in the such report. The Such  
24   report shall also be submitted available to the Director of the

1 Office of Management and Enterprise Services, the State Auditor and  
2 Inspector, the Speaker of the House of Representatives, the  
3 President Pro Tempore of the Senate and the Governor.

4 G. Members of the ~~Commission Board~~ shall serve without  
5 compensation, except for travel, pursuant to the State Travel  
6 Reimbursement Act, to be paid by the appointing authority.

7 H. ~~The Commission may make written recommendations for changes~~  
8 ~~in legislation to the Legislature or in the policies or procedures~~  
9 ~~and practices of the State Treasurer to the State Treasurer.~~

10 I. ~~The Commission Board shall determine the positions,~~  
11 ~~including but not limited to the investment officer, in the State~~  
12 ~~Treasurer's Office which shall require criminal background~~  
13 ~~investigations by the Oklahoma State Bureau of Investigation.~~ The  
14 ~~Bureau shall advise the State Treasurer and the Cash Management and~~  
15 ~~Investment Oversight Commission in writing of the results of the~~  
16 ~~investigation establish and adopt investment parameters related to~~  
17 ~~investments in Oklahoma-based private equity funds, venture capital~~  
18 ~~funds, growth funds, and direct investments in Oklahoma companies~~  
19 ~~authorized under the Invest in Oklahoma program; provided that by a~~  
20 ~~unanimous vote of the Board such parameters may be exceeded with~~  
21 ~~regard to investments to the extent allowable under the Oklahoma~~  
22 ~~Constitution.~~

23 I. The Board shall exercise confirmation and approval authority  
24 over the appointment and contractual relationships of qualified

1      investment advisors and fiduciary managers engaged by the State  
2      Treasurer to assist in the selection of the investments authorized  
3      under the Invest in Oklahoma program.

4      SECTION 5.      AMENDATORY      62 O.S. 2021, Section 89.2, is  
5      amended to read as follows:

6            Section 89.2. A. The State Treasurer is directed to invest the  
7      maximum amount of funds under control of the State Treasurer  
8      consistent with good business practices. Except as otherwise  
9      provided for by law, the investments shall earn not less than the  
10     rate for comparable maturities on United States Treasury  
11     obligations. Except as otherwise provided for by law, the State  
12     Treasurer may purchase and invest only in:

13            1. Obligations of the United States Government, its agencies  
14      and instrumentalities, or other obligations fully insured or  
15      unconditionally guaranteed as to the payment of principal and  
16      interest by the United States government or any of its agencies and  
17      instrumentalities;

18            2. Collateralized or insured certificates of deposit and other  
19      evidences of deposit at banks, savings banks, savings and loan  
20      associations and credit unions located in this state;

21            3. Negotiable certificates of deposit issued by a nationally or  
22      state-chartered bank, a savings bank, a savings and loan association  
23      or a state-licensed branch of a foreign bank. Purchases of  
24      negotiable certificates of deposit shall not exceed ten percent

1 (10%) of the cash available for investment which may be invested  
2 pursuant to this section. Not more than one-half (1/2) of the ten  
3 percent (10%) limit shall be invested in any one financial  
4 institution specified in this paragraph;

5       4. Prime banker's acceptances which are eligible for purchase  
6 by the Federal Reserve System and which do not exceed two hundred  
7 seventy (270) days' maturity. Purchases of prime banker's  
8 acceptances shall not exceed ten percent (10%) of the cash available  
9 for investment which may be invested pursuant to this section. Not  
10 more than three-fourths (3/4) of the ten percent (10%) limit shall  
11 be invested in any one commercial bank pursuant to this paragraph;

12       5. Prime commercial paper which shall not have a maturity that  
13 exceeds one hundred eighty (180) days nor represent more than ten  
14 percent (10%) of the outstanding paper of an issuing corporation.  
15 Purchases of prime commercial paper shall not exceed seven and one-  
16 half percent (7 1/2%) of the cash available for investment which may  
17 be invested pursuant to this section;

18       6. Investment grade obligations of state and local governments,  
19 including obligations of Oklahoma state public trusts which possess  
20 the highest rating from at least one nationally recognized rating  
21 agency acceptable to the State Treasurer. Purchases of investment  
22 grade obligations of state and local governments shall not exceed  
23 ten percent (10%) of the cash available for investment which may be  
24 invested pursuant to this section;

1       7. Repurchase agreements, provided that such agreements are  
2 included within the written investment policy required by subsection  
3 D of this section that have underlying collateral consisting of  
4 those items and those restrictions specified in paragraphs 1 through  
5 6 of this subsection;

6       8. Money market funds and short term bond funds regulated by  
7 the Securities and Exchange Commission and which investments consist  
8 of those items and those restrictions specified in paragraphs 1  
9 through 7 of this subsection; and

10      9. Bonds, notes, debentures or other similar obligations of a  
11 foreign government which the International Monetary Fund lists as an  
12 industrialized country and for which the full faith and credit of  
13 such nation has been pledged for the payment of principal and  
14 interest; provided, that any such security shall be rated at least  
15 A- or better by Standard & Poor's Corporation or A3 or better by  
16 Moody's Investors Service, or an equivalent investment grade by a  
17 securities ratings organization accepted by the National Association  
18 of Insurance Commissioners; and provided further, that the total  
19 investment in such foreign securities at any one time shall not  
20 exceed five percent (5%) of the cash available for investment which  
21 may be invested pursuant to this section. In no circumstance shall  
22 investments be made in bonds, notes, debentures or any similar  
23 obligations of a foreign government that:

- a. is identified as a state sponsor of terrorism by the United States Department of State, or
- b. any authoritarian or totalitarian government the sovereign powers of which are exercised through a single person or group of persons who are not elected by any form of legitimate popular voting.

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

13       C. The State Treasurer shall appoint an investment officer who  
14 shall perform duties related to the investment of state funds in the  
15 Office of the State Treasurer. The investment officer shall not  
16 perform or supervise any accounting functions, data processing  
17 functions or duties related to the documentation or settlement of  
18 investment transactions.

19 D. Investments of public funds by the State Treasurer shall be  
20 made in accordance with written policies developed by the State  
21 Treasurer. The written investment policies shall address:

1. Liquidity;
  2. Diversification;
  3. Safety of principal;

- 1       4. Yield;
- 2       5. Maturity and quality; and
- 3       6. Capability of investment management.

4           The State Treasurer shall place primary emphasis on safety and  
5 liquidity in the investment of public funds. To the extent  
6 practicable taking into account the need to use sound investment  
7 judgment, the written investment policies shall include provision  
8 for utilization of a system of competitive bidding in the investment  
9 of state funds. The written investment policies shall be designed  
10 to maximize yield within each class of investment instrument,  
11 consistent with the safety of the funds invested.

12          E. The Except as provided in subsection H of this section, the  
13 State Treasurer shall select one custodial bank to settle  
14 transactions involving the investment of state funds under the  
15 control of the State Treasurer. The State Treasurer shall review  
16 the performance of the custodial bank at least once every year. The  
17 State Treasurer shall require a written competitive bid every five  
18 (5) years. The custodial bank shall have a minimum of Five Hundred  
19 Million Dollars (\$500,000,000.00) in assets to be eligible for  
20 selection. Any out-of-state custodial bank shall have a service  
21 agent in the State of Oklahoma so that service of summons or legal  
22 notice may be had on such designated agent as is now or may  
23 hereafter be provided by law. In order to be eligible for  
24 selection, the custodial bank shall allow electronic access to all

1 transaction and portfolio reports maintained by the custodial bank  
2 involving the investment of state funds under control of the State  
3 Treasurer. The access shall be given to ~~both~~ the State Treasurer  
4 and ~~to the Cash Management and Investment Oversight Commission.~~ The  
5 requirement for electronic access shall be incorporated into any  
6 contract between the State Treasurer and the custodial bank.  
7 Neither the State Treasurer nor the custodial bank shall permit any  
8 of the funds under the control of the State Treasurer or any of the  
9 documents, instruments, securities or other evidence of a right to  
10 be paid money to be located in any place other than within a  
11 jurisdiction or territory under the control or regulatory power of  
12 the United States Government.

13 F. The investment policy shall specify the general philosophy,  
14 policies and procedures to be followed in the investment of state  
15 monies by the State Treasurer. The investment policy shall include,  
16 but not be limited to, the following:

- 17 1. Policy objectives;
- 18 2. Performance measure objectives;
- 19 3. Authority for investment program;
- 20 4. Possible use of an investment advisory committee;
- 21 5. Reporting and documentation of investments;
- 22 6. Authorized investment instruments;
- 23 7. Diversification of investment risk;
- 24 8. Maturity limitations;

- 1       9. Selections of financial institutions;  
2       10. Interest controls;  
3       11. Safekeeping of investments;  
4       12. Investment ethics; and  
5       13. Formal adoption of policy.

6       G. ~~The State Treasurer shall provide weekly reports of all~~  
7 ~~investments made by the State Treasurer if requested by the Cash~~  
8 ~~Management and Investment Oversight Commission, and list any~~  
9 ~~commissions, fees or payments made for services regarding such~~  
10 ~~investments. The reports required by this subsection shall be~~  
11 ~~delivered to the Commission within three (3) business days of the~~  
12 ~~end of the applicable week. The State Treasurer may invest cash~~  
13 ~~balance amounts as defined and limited by Section 2402 of this title~~  
14 in the Invest in Oklahoma program.

15       H. The State Treasurer is hereby authorized to establish  
16 internal custodial accounts within the State Treasury, and enter  
17 contractual relationships for custodial account services with  
18 private institutions as needed, for the implementation and  
19 administration of the Invest in Oklahoma program.

20       H. I. Not later than July 1 of each year, the State Treasurer  
21 shall forward a copy of the written investment policy to the  
22 Governor, the Speaker of the House of Representatives, the President  
23 Pro Tempore of the Senate, the Attorney General, the Bank  
24 Commissioner, and the Director of the Office of Management and

1 Enterprise Services. In addition, the State Treasurer shall  
2 maintain one copy of the investment policy in the office of the  
3 State Treasurer for public inspection during regular business hours.  
4 Copies of any modifications to the investment policy shall be  
5 forwarded to the Governor, Speaker of the House of Representatives,  
6 President Pro Tempore of the Senate, and each member of the Cash  
7 Management and Investment Oversight Commission.

8 SECTION 6. This act shall become effective November 1, 2025.

9 Passed the House of Representatives the 20th day of May, 2025.

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11 \_\_\_\_\_  
12 Presiding Officer of the House  
of Representatives

13 Passed the Senate the \_\_\_\_\_ day of \_\_\_\_\_, 2025.

14

15 \_\_\_\_\_  
16 Presiding Officer of the Senate