

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 60th Legislature (2025)

4 ENGROSSED SENATE
5 BILL NO. 957

6 By: Alvord of the Senate

7 and

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9 Lawson, Hildebrant, and
10 Lepak of the House

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An Act relating to public finance; modifying investment procedures relating to local governments; modifying authorized investments; repealing 62 O.S. 2021, Sections 348.1 and 348.3, as amended by Sections 1 and 2, Chapter 78, O.S.L. 2023 (62 O.S. Supp. 2024, Sections 348.1 and 384.3), which relate to the investment of funds; providing for codification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified

in the Oklahoma Statutes as Section 348 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. The governing board of any political subdivision of this state, as defined by Section 152 of Title 51 of the Oklahoma Statutes, may authorize a written investment policy, ordinance, or resolution permitting and directing the treasurer or other duly authorized officer or employee of the political subdivision to invest public funds. Any written investment policy shall address liquidity, diversification, safety of principal, yield, maturity and

1 quality, and capability of investment management, with primary
2 emphasis on safety and liquidity in the investment of funds. A
3 written investment policy shall, to the extent practicable, provide
4 for the use of competitive bids when purchasing brokered securities.
5 However, this section shall not be construed as preventing the use
6 of sound investment judgment when purchasing brokered securities.

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

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

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

23 3. Collateralized or insured certificates of deposits of banks,
24 savings and loan associations, savings banks, or credit unions

1 located within the state and located out of the state when such
2 certificates of deposits are secured by acceptable collateral;

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

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

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

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

1 to purchases of prime banker's acceptances by qualified pooled
2 investment programs established under paragraph 11 of this section;

3 8. Prime commercial paper which shall not have a maturity that
4 exceeds one hundred eighty (180) days nor represent more than ten
5 percent (10%) of the outstanding paper of an issuing corporation.

6 Purchases of prime commercial paper shall not exceed seven and one-
7 half percent (7 1/2%) of the surplus funds of the political
8 subdivision which may be invested pursuant to this section; however,
9 the restrictions in this paragraph shall not apply to purchases of
10 prime commercial paper by qualified pooled investment programs
11 established under paragraph 11 of this section;

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

15 10. Money market funds regulated by the United States
16 Securities and Exchange Commission and which investments consist of
17 those items and those restrictions specified in paragraphs 1 through
18 9 of this subsection; or

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

1 C. Any political subdivision which elects to participate in a
2 local government investment pool shall be deemed to have authorized
3 investments in the items specified in paragraphs 1 through 10 of
4 subsection B, notwithstanding any differences in the written
5 investment plans adopted by the governing body.

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

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

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

17 SECTION 2. REPEALER 62 O.S. 2021, Sections 348.1 and
18 348.3, as amended by Sections 1 and 2, Chapter 78, O.S.L. 2023 (62
19 O.S. Supp. 2024, Sections 348.1 and 384.3), are hereby repealed.

20 SECTION 3. This act shall become effective November 1, 2025.

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22 COMMITTEE REPORT BY: COMMITTEE ON GOVERNMENT OVERSIGHT, dated
04/22/2025 - DO PASS.
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