

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 COMMITTEE SUBSTITUTE
FOR
4 SENATE BILL 957

By: Alvord of the Senate

5 and

6 Lawson of the House

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9 COMMITTEE SUBSTITUTE

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

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

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

20 A. The governing board of any political subdivision of this
state, as defined by Section 152 of Title 51 of the Oklahoma
21 Statutes, may authorize a written investment policy, ordinance, or
22 resolution permitting and directing the treasurer or other duly
23 authorized officer or employee of the political subdivision to
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1 invest public funds. Any written investment policy shall address
2 liquidity, diversification, safety of principal, yield, maturity and
3 quality, and capability of investment management, with primary
4 emphasis on safety and liquidity in the investment of funds. A
5 written investment policy shall, to the extent practicable, provide
6 for the use of competitive bids when purchasing brokered securities.
7 However, this section shall not be construed as preventing the use
8 of sound investment judgment when purchasing brokered securities.

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

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

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

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

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

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

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

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

1 section; however, the restrictions of this paragraph shall not apply
2 to purchases of prime banker's acceptances by qualified pooled
3 investment programs established under paragraph 11 of this section;

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

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

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

16 10. Money market funds regulated by the United States
17 Securities and Exchange Commission and which investments consist of
18 those items and those restrictions specified in paragraphs 1 through
19 9 of this subsection; or

20 11. Qualified pooled investment programs, the investments of
21 which consist of those items specified in paragraphs 1 through 10 of
22 this subsection. To be qualified, a pooled investment program must
23 be governed through an interlocal cooperative agreement formed

1 pursuant to Sections 1001 through 1008 of Title 74 of the Oklahoma
2 Statutes.

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

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

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

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

19 SECTION 2. REPEALER 62 O.S. 2021, Sections 348.1 and
20 348.3, as amended by Sections 1 and 2, Chapter 78, O.S.L. 2023 (62
21 O.S. Supp. 2024, Sections 348.1 and 384.3), are hereby repealed.

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