

1 ENGROSSED SENATE
2 BILL NO. 1090

3 By: Thompson of the Senate

4 and

5 Lawson of the House

6 [public finance - Invest In Oklahoma program - State
7 Treasurer - personnel - promulgation of rules - Cash
Management and Investment Oversight Commission -
investments - reports - effective date]

8

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

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

13 Section 2401. A. ~~The Oklahoma Center for the Advancement of~~
14 ~~Science and Technology (OCAST)~~ State Treasurer shall create an
15 "Invest In Oklahoma" program to provide entities in this state with
16 funds for opportunities to invest in Oklahoma-based private equity
17 funds, venture capital funds and growth funds, and direct
18 investments in Oklahoma companies. ~~Opportunities for investment~~
19 ~~shall also include private equity funds, venture capital funds and~~
20 ~~growth funds that make substantial investments in this state.~~

21 B. ~~OCAST shall select venture capital and growth funds to~~
22 ~~qualify for investments within the Invest In Oklahoma Program. The~~
23 ~~State Treasurer may retain qualified investment advisors or~~

1 fiduciary managers to assist in the selection of private equity,
2 venture capital, growth funds, and direct investments in Oklahoma
3 companies based on factors including, but not limited 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 C. ~~OCAST~~ The State Treasurer shall exercise judgement and care,
13 under circumstances then prevailing, which persons of prudence,
14 discretion and intelligence exercise in the management of their own
15 affairs, for investment, considering the probable safety of their
16 capital as well as the probable income to be derived when
17 determining qualifying venture capital and growth funds to ensure
18 the funds are being appropriately managed and invested.

19 D. ~~OCAST~~ The State Treasurer shall develop a request for
20 proposal ~~that includes the factors provided in subsection B of this~~
21 section. ~~OCAST shall maintain a list of available venture capital~~
22 ~~and growth funds which are participating in the Invest In Oklahoma~~
23 ~~Program in which public entities are encouraged to invest for~~
24 ~~investment advisors and fiduciary managers that include their~~

1 qualifications and experiences in investing in private equity,
2 venture capital, growth funds, and direct investments in Oklahoma
3 companies. The Treasurer shall also maintain a list of available
4 private equity, venture capital, and growth funds who are operating
5 in Oklahoma.

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

8 Section 2402. A. The following public entities are encouraged
9 to and may invest up to five percent (5%) of their rolling ~~three~~(3)
10 year three-year assets under management with the Invest In Oklahoma
11 Program program approved venture capital and growth funds as
12 provided in Section ~~2 of this act~~ 2401 of this title:

13 1. The Board of Investors of the Tobacco Settlement Endowment
14 Trust Fund;

15 2. The Commissioners of the Land Office;

16 3. The Teachers' Retirement System of Oklahoma;

17 4. The Oklahoma Public Employees Retirement System;

18 5. The Oklahoma Firefighters Pension and Retirement System;

19 6. The Oklahoma Police Pension and Retirement System;

20 7. The Oklahoma Law Enforcement Retirement System;

21 8. The ~~State of Oklahoma~~ Uniform Retirement System for Justices
22 and Judges; and

23 9. The Department of Wildlife Conservation Retirement Fund.

1 B. The State Treasurer is encouraged to and may invest with the
2 Invest In Oklahoma program pursuant to subsection D of Section 89.2
3 of this title.

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

7 Section 2403. ~~The Oklahoma Center for the Advancement of~~
8 ~~Science and Technology~~ State Treasurer shall promulgate rules to
9 enforce the provisions of the Invest In Oklahoma Act.

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

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

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

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

18 3. ~~The Administrator of the Oklahoma Department of Securities,~~
19 or designee State Auditor and Inspector;

20 4. ~~One citizen member appointed by the The Speaker of the House~~
21 ~~of Representatives who shall have a demonstrated expertise in public~~
22 ~~or private investment finance and who shall serve at the Speaker's~~
23 ~~pleasure; and~~

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

6 B. The appointed members shall have no direct or indirect
7 business relationship with the State Treasurer or the State
8 Treasurer's Office.

9 C. The Commission shall elect from its membership a chairperson
10 chair and vice-chairperson vice chair. Such officers shall serve
11 one-year terms and may be reelected. There shall be an Executive
12 Review Committee of the Cash Management and Investment Oversight
13 Commission consisting of the Director of the Office of Management
14 and Enterprise Services, the Bank Commissioner and the Administrator
15 of the Oklahoma Department of Securities or their respective
16 designees. The Director of the Office of Management and Enterprise
17 Services shall call a meeting to organize the Executive Review
18 Committee. The Executive Review Committee shall elect from its
19 membership a chairperson who shall serve for a period of one (1)
20 year and who may be reelected. The Executive Review Committee shall
21 meet at such times as it deems necessary for the performance of its
22 duties.

23 D. C. The Commission shall hold regular meetings at least once
24 each quarter, and at such other times as it deems necessary for the

1 performance of its duties. The date, time and place of the meetings
2 shall be set by the Commission. The Office of Management and
3 Enterprise Services shall provide the administrative support
4 required by the Commission. The Commission shall be staffed by the
5 Office of Management and Enterprise Services who shall prepare all
6 materials and information needed by the Commission to perform its
7 duties and responsibilities. Meetings of the Commission ~~and of the~~
8 ~~Executive Review Committee of the Commission~~ shall be subject to the
9 Oklahoma Open Meeting Act, and their records shall be public records
10 pursuant to the Oklahoma Open Records Act.

11 E. D. The Commission ~~in conjunction with the State Auditor and~~
12 ~~Inspector~~ shall develop a standardized and uniform reporting system
13 which the State Treasurer shall use to make the reports required by
14 Section 89.7 of this title. The Commission shall prescribe such
15 forms in order to obtain an objective and accurate analysis of the
16 investment of state funds by the State Treasurer and to obtain an
17 accurate analysis of investment performance according to an
18 objective standard established by the Commission. The Commission
19 shall not be subject to the provisions of the Administrative
20 Procedures Act for purposes of developing the reporting system
21 required by this subsection. The Commission shall review the
22 reports prepared by the State Treasurer pursuant to Section 89.7 of
23 this title. The Commission shall review with the State Treasurer
24 investment strategies and practices and the development of internal

1 auditing procedures and practices. The Commission shall review the
2 reports submitted by the State Treasurer and shall identify any
3 event, transaction or trend which the Commission determines to
4 represent a violation or potential violation of law or public policy
5 regarding the investment of state funds. The Commission shall
6 specifically identify its concerns or objections and shall
7 communicate such concerns or objections in writing to the State
8 Treasurer.

9 F. E. The Commission staff shall submit a written report to
10 each member of the Commission for each ~~month~~ quarter of the calendar
11 year which specifically identifies entities with whom or with which
12 the State Treasurer has transacted business related to investment of
13 any state funds during the applicable reporting period. Any person
14 or entity to whom or to which any form of compensation has been or
15 will be paid for services rendered to the Office of the State
16 ~~Treasurer's Office~~ Treasurer related to the investment of state
17 funds shall be identified in the report. ~~The report shall also be~~
18 ~~submitted to the Director of the Office of Management and Enterprise~~
19 ~~Services, the State Auditor and Inspector, the Speaker of the House~~
20 ~~of Representatives, the President Pro Tempore of the Senate and the~~
21 ~~Governor.~~

22 G. F. Members of the Commission shall serve without
23 compensation, except for travel, pursuant to the State Travel
24 Reimbursement Act, ~~to be paid by the appointing authority.~~

1 H. G. The Commission may make written recommendations for
2 changes in legislation to the Legislature or in the policies or
3 procedures and practices of the State Treasurer to the State
4 Treasurer.

5 I. H. The Commission shall determine the positions, including,
6 but not limited to, the investment officer, in the Office of the
7 State Treasurer's Office Treasurer which shall require criminal
8 background investigations by the Oklahoma State Bureau of
9 Investigation. The Bureau shall advise the State Treasurer and the
10 Cash Management and Investment Oversight Commission in writing of
11 the results of the investigation.

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

14 Section 89.2. A. The State Treasurer is directed to invest the
15 maximum amount of funds under control of the State Treasurer
16 consistent with good business practices. Except as otherwise
17 provided for by law, the investments shall earn not less than the
18 rate for comparable maturities on United States Treasury
19 obligations. Except as otherwise provided for by law, the State
20 Treasurer may purchase and invest only in:

21 1. Obligations of the United States Government government, its
22 agencies and instrumentalities, or other obligations fully insured
23 or unconditionally guaranteed as to the payment of principal and

1 interest by the United States government or any of its agencies and
2 instrumentalities;

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

6 3. Negotiable certificates of deposit issued by a nationally or
7 state-chartered bank, a savings bank, a savings and loan association
8 or a state-licensed branch of a foreign bank. Purchases of
9 negotiable certificates of deposit shall not exceed ten percent
10 (10%) of the cash available for investment which may be invested
11 pursuant to this section. Not more than one-half (1/2) of the ten
12 percent (10%) limit shall be invested in any one financial
13 institution specified in this paragraph;

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

21 5. Prime commercial paper which shall not have a maturity that
22 exceeds one hundred eighty (180) days nor represent more than ten
23 percent (10%) of the outstanding paper of an issuing corporation.
24 Purchases of prime commercial paper shall not exceed seven and one-

1 half percent (7 1/2%) of the cash available for investment which may
2 be invested pursuant to this section;

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

10 7. Repurchase agreements, provided that such agreements are
11 included within the written investment policy required by subsection
12 D of this section that have underlying collateral consisting of
13 those items and those restrictions specified in paragraphs 1 through
14 6 of this subsection;

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

19 9. Bonds, notes, debentures or other similar obligations of a
20 foreign government which the International Monetary Fund lists as an
21 industrialized country and for which the full faith and credit of
22 such nation has been pledged for the payment of principal and
23 interest; provided, that any such security shall be rated at least
24 A- or better by ~~Standard & Poor's Corporation~~ S&P Global or A3 or

1 better by Moody's Investors Service, or an equivalent investment
2 grade by a securities ratings organization accepted by the National
3 Association of Insurance Commissioners; and provided further, that
4 the total investment in such foreign securities at any one time
5 shall not exceed five percent (5%) of the cash available for
6 investment which may be invested pursuant to this section. In no
7 circumstance shall investments be made in bonds, notes, debentures
8 or any similar obligations of a foreign government that:

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

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

21 C. The State Treasurer shall appoint an investment officer who
22 shall perform duties related to the investment of state funds in the
23 Office of the State Treasurer. The investment officer shall not
24 perform or supervise any accounting functions, data processing

1 functions or duties related to the documentation or settlement of
2 investment transactions.

3 D. The State Treasurer may invest up to five percent (5%) of
4 the maximum amount of funds under the control of the State Treasurer
5 invested pursuant to subsection A of this section into the Invest In
6 Oklahoma program.

7 E. Investments of public funds by the State Treasurer shall be
8 made in accordance with written policies developed by the State
9 Treasurer. The written investment policies shall address:

- 10 1. Liquidity;
- 11 2. Diversification;
- 12 3. Safety of principal;
- 13 4. Yield;
- 14 5. Maturity and quality; and
- 15 6. Capability of investment management.

16 The State Treasurer shall place primary emphasis on safety and
17 liquidity in the investment of public funds. To the extent
18 practicable, taking into account the need to use sound investment
19 judgment, the written investment policies shall include provision
20 for utilization of a system of competitive bidding in the investment
21 of state funds. The written investment policies shall be designed
22 to maximize yield within each class of investment instrument,
23 consistent with the safety of the funds invested.

1 E. F. The State Treasurer shall select one custodial bank to
2 settle transactions involving the investment of state funds under
3 the control of the State Treasurer. The State Treasurer shall
4 review the performance of the custodial bank at least once every
5 year. The State Treasurer shall require a written competitive bid
6 every five (5) years. The custodial bank shall have a minimum of
7 Five Hundred Million Dollars (\$500,000,000.00) in assets to be
8 eligible for selection. Any out-of-state custodial bank shall have
9 a service agent in ~~the State of Oklahoma~~ this state so that service
10 of summons or legal notice may be had on such designated agent as is
11 now or may hereafter be provided by law. In order to be eligible
12 for selection, the custodial bank shall allow electronic access to
13 all transaction and portfolio reports maintained by the custodial
14 bank involving the investment of state funds under control of the
15 State Treasurer. The access shall be given to ~~both~~ the State
16 Treasurer and to the Cash Management and Investment Oversight
17 Commission. The requirement for electronic access shall be
18 incorporated into any contract between the State Treasurer and the
19 custodial bank. Neither the State Treasurer nor the custodial bank
20 shall permit any of the funds under the control of the State
21 Treasurer or any of the documents, instruments, securities or other
22 evidence of a right to be paid money to be located in any place
23 other than within a jurisdiction or territory under the control or
24 regulatory power of the United States ~~Government~~ government.

1 F. G. The investment policy shall specify the general
2 philosophy, policies and procedures to be followed in the investment
3 of state monies by the State Treasurer. The investment policy shall
4 include, but not be limited to, the following:

- 5 1. Policy objectives;
- 6 2. Performance measure objectives;
- 7 3. Authority for investment program;
- 8 4. Possible use of an investment advisory committee;
- 9 5. Reporting and documentation of investments;
- 10 6. Authorized investment instruments;
- 11 7. Diversification of investment risk;
- 12 8. Maturity limitations;
- 13 9. Selections of financial institutions;
- 14 10. Interest controls;
- 15 11. Safekeeping of investments;
- 16 12. Investment ethics; and
- 17 13. Formal adoption of policy.

18 G. H. The State Treasurer shall provide ~~weekly~~ quarterly
19 reports of all investments made by the State Treasurer if requested
20 by the Cash Management and Investment Oversight Commission, and list
21 any commissions, fees or payments made for services regarding such
22 investments. The reports required by this subsection shall be
23 delivered to the Commission within three (3) business days of the
24 end of the applicable week.

1 H. I. Not later than July 1 of each year, the State Treasurer
2 shall forward a copy of the written investment policy to the
3 ~~Governor, the Speaker of the House of Representatives, the President~~
4 ~~Pro Tempore of the Senate, the Attorney General, the Bank~~
5 ~~Commissioner, and the Director of the Office of Management and~~
6 ~~Enterprise Services Cash Management and Investment Oversight~~
7 Commission. In addition, the State Treasurer shall maintain one
8 copy of the investment policy in the ~~office~~ Office of the State
9 Treasurer for public inspection during regular business hours.
10 Copies of any modifications to the investment policy shall be
11 forwarded to ~~the Governor, Speaker of the House of Representatives,~~
12 ~~President Pro Tempore of the Senate, and each member of the Cash~~
13 Management and Investment Oversight Commission.

14 SECTION 6. AMENDATORY 62 O.S. 2021, Section 89.7, is
15 amended to read as follows:

16 Section 89.7. A. The State Treasurer shall prepare ~~monthly~~
17 quarterly and annual investment performance reports of the Office of
18 ~~the State Treasurer's Office Treasurer~~ in the form and manner
19 required by the Cash Management and Investment Oversight Commission
20 after consultation with the State Treasurer which summarize recent
21 market conditions, economic developments and anticipated investment
22 conditions and the investment plan performance, including portfolio
23 diversification and rates of return measured against the investment
24 plan of the State Treasury. The annual investment performance

1 report shall be submitted to the Commission and shall be made within
2 ninety (90) calendar days after the end of the fiscal year. The
3 monthly quarterly investment performance reports shall be submitted
4 to the ~~Executive Review Committee~~ Commission and shall be made
5 within thirty (30) days after the end of the applicable month. The
6 investment performance reports shall specify the investment
7 strategies employed in the most recent reporting period and describe
8 the investment portfolio of the state in terms of:

9 1. Securities;

10 2. Maturities;

11 3. Fund type;

12 4. Financial institutions from which securities were purchased,

13 including the amounts and the city and state of location;

14 5. Investment return compared to budgetary expectations;

15 6. Average yield; and

16 7. Average life of the portfolio.

17 The investment performance reports shall also indicate any areas of

18 concern which the State Treasurer has concerning the basic

19 investment strategies being employed. The investment performance

20 reports shall contain:

21 a. combined and individual rates of return and a list of

22 all losses by category of investment, over periods of

23 time,

- 1 b. the rate of return on deposits and all fees and
2 expenses charged as to all depository financial
3 institutions of the State Treasury and a specific
4 review of the adequacy of the collateralization~~†~~
5 c. any other information that the State Treasurer may
6 include~~†~~, and
7 d. such other information that the Cash Management and
8 Investment Oversight Commission created by Section
9 71.1 of this title may request and that the State
10 Treasurer agrees to include in the investment
11 performance reports.

12 B. To the extent that the State Treasurer should have reason to

13 know, the State Treasurer shall also include in the investment
14 performance reports a listing of all payments, fees, commissions, or
15 other compensation received by any person, including~~†~~, but not
16 limited to~~†~~, individuals, financial institutions, or investment
17 companies or corporations, which have an investment agreement,
18 contract, or other arrangement with the State Treasurer, or who
19 receive any compensation as a result of a transaction involving the
20 investment of state monies or funds or the purchase, sale, or trade
21 of securities or bonds involving the Office of the State Treasurer.
22 Said ~~The~~ listings shall also include the social security or federal
23 identification number of any person, including~~†~~, but not limited to~~†~~,
24 individuals, financial institutions, or investment companies or

1 corporations, receiving payments, fees, commissions, or other
2 compensation.

3 C. The annual investment performance report shall be written in
4 simple and easily understood language containing:

5 a. an

6 1. An analysis of the written investment plans developed by the
7 State Treasurer as required by law;

8 b. a

9 2. A quantitative analysis of the performance of all depository
10 financial institutions approved by the State Treasurer, with regard
11 to monies deposited;

12 c. the

13 3. The result of the analyses prepared pursuant to
14 ~~subparagraphs a and b paragraphs 1 and 2 of this paragraph~~
15 subsection compared with similar data for other states;

16 d. recommendations

17 4. Recommendations on administrative and legislative changes
18 which are necessary to improve the performance of the State Treasury
19 in accordance with current standards for large public fund portfolio
20 management; and

21 e. a

22 5. A listing by object code of the expenses of the State
23 Treasury as audited by the independent auditor provided by Section
24 89.10 of this title.

1 D. The State Treasurer shall distribute the investment
2 performance reports to the ~~Governor, the President Pro Tempore of~~
3 ~~the Senate, the Speaker of the House of Representatives, the State~~
4 ~~Auditor and Inspector, the Attorney General, and members of the Cash~~
5 Management and Investment Oversight Commission. Upon request, the
6 State Treasurer shall make the annual investment performance report
7 available to the members of the Legislature and the general public.
8 The annual investment performance report shall also include an
9 investment plan for the ensuing fiscal year.

10 E. The State Treasurer shall require all employees in the State
11 Treasury to sign an anti-collusion affidavit. Execution of a false
12 affidavit shall make such employees subject to disciplinary action,
13 including, but not limited to, termination, criminal prosecution or
14 both.

15 F. The State Treasurer shall require an anti-collusion
16 affidavit from brokers or other persons offering investment services
17 to the State Treasury. The State Treasurer shall be prohibited from
18 employing or doing business with any brokers or persons offering
19 investment services to the State Treasury who have not executed such
20 an affidavit.

21 G. The Cash Management and Investment Oversight Commission
22 shall certify that the State Treasurer has delivered to the
23 Commission the ~~monthly and annual quarterly~~ investment performance
24 reports and the annual financial report required by this section.

1 | ~~If the Commission determines that these reports have not been~~
2 | ~~delivered by the State Treasurer as required by law, the Commission~~
3 | ~~shall notify in writing the Governor, the Speaker of the House of~~
4 | ~~Representatives, the President Pro Tempore of the Senate, the~~
5 | ~~Attorney General, and the State Auditor and Inspector.~~

6 | SECTION 7. This act shall become effective November 1, 2025.

7 | Passed the Senate the 24th day of March, 2025.

8 |
9 |
10 | Presiding Officer of the Senate

11 | Passed the House of Representatives the ____ day of _____,
12 | 2025.

13 |
14 |
15 | Presiding Officer of the House
16 | of Representatives