

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

SENATE BILL 1443

By: Rader

AS INTRODUCED

An Act relating to state fiscal affairs; creating the Oklahoma Pension Legacy Fund; providing sources of funds; requiring the State Treasurer to appoint investment managers; establishing investment guidelines; authorizing realization of losses under certain circumstance; requiring income and returns to accrue to the balance of the fund; providing for appropriations of funds for certain purpose; providing for transfer amount upon insufficient liquidity; requiring managers to maintain certain proportion of liquidity in the fund; requiring appropriation of monies transferred from the fund to certain state retirement systems; providing for calculation of appropriation; making appropriation to the Office of the State Treasurer; requiring deposit in certain fund; providing for codification; providing an effective date; and declaring an emergency.

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 34.601 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created in the State Treasury a fund to be known and designated as the "Oklahoma Pension Legacy Fund". The fund shall be a continuing fund, not subject to fiscal year

1 limitations, and shall consist of surplus monies and savings
2 appropriated by the Legislature.

3 B. The State Treasurer shall appoint qualified investment
4 managers to provide for the investment of the monies of the fund.
5 The investments shall be consistent with the manner in which state
6 retirement funds are invested. The risk of large losses shall be
7 minimized by diversifying the investments in the fund, unless, under
8 the circumstances, it is clearly prudent not to do so, which shall
9 include the length of time of the investment. The investment
10 managers may sell investments and realize losses if such action is
11 considered advantageous to longer-term return maximization.

12 C. The fund principal shall consist of monies which are
13 deposited to the fund. Notwithstanding any other provisions of law,
14 income and investment return on fund principal shall accrue to the
15 fund.

16 D. For each fiscal year, the Treasurer shall make available a
17 report on its website detailing the present value of the investments
18 and assets in the Oklahoma Pension Legacy Fund and the increase in
19 value from the previous fiscal year.

20 E. Except as provided for in subsections F and G of this
21 section, upon a determination by the Treasurer, through the report
22 provided pursuant to subsection D of this section, that the increase
23 in the value of the Oklahoma Pension Legacy Fund, from the previous
24 fiscal year, exceeds One Hundred Million Dollars (\$100,000,000.00)

1 or any additional whole increments of One Hundred Million Dollars
2 (\$100,000,000.00), a transfer to the General Revenue fund, solely
3 for the purpose of funding pensions in this state, as provided for
4 in subsection H of this section, shall be made on January 1 of each
5 subsequent calendar year in an amount equal to the highest whole
6 one-hundred-million-dollar increment, as determined by the
7 Treasurer.

8 F. Except as provided for in subsection G of this section, upon
9 a subsequent determination by the Treasurer, through the report
10 provided pursuant to subsection D of this section, that the Oklahoma
11 Pension Legacy Fund increased in value by any whole increments of
12 One Hundred Million Dollars (\$100,000,000.00) greater than the most
13 recent January 1 transfer to the General Revenue Fund made pursuant
14 to the provisions of this section, each subsequent January 1
15 transfer shall be made in an amount equal to the highest whole one-
16 hundred-million-dollar increment that the Oklahoma Pension Legacy
17 Fund increased in value, as determined by the Treasurer.

18 G. Investment managers appointed pursuant to subsection B of
19 this section shall maintain a reasonable proportion of liquid assets
20 in the Oklahoma Pension Legacy Fund in order to facilitate any
21 expected transfers required pursuant to subsections E and F of this
22 section. If the balance of the Oklahoma Pension Legacy Fund is
23 insufficient or the cash available in the fund is insufficient due
24 to lack of liquid assets to make the transfers required pursuant to

1 subsections E and F of this section, the entire balance available
2 for transfer shall be transferred to the fund.

3 H. The Legislature shall appropriate monies transferred from
4 this fund to state retirement systems that have actuarial value
5 funded ratios of less than one hundred percent (100%).

6 Appropriations to each of those state retirement systems that have
7 actuarial value funded ratios of less than one hundred percent
8 (100%) shall be in a proportion equal to the ratio that the state
9 retirement system's dollar difference between its actuarial value of
10 assets and actuarial accrued liabilities bears to those combined
11 state retirement systems' dollar difference between its actuarial
12 value of assets and actuarial accrued liabilities.

13 SECTION 2. There is hereby appropriated to the Office of the
14 State Treasurer for deposit in the Oklahoma Pension Legacy Fund,
15 from any monies not otherwise appropriated from the General Revenue
16 Fund of the State Treasury for the fiscal year ending June 30, 2021,
17 the sum of One Hundred Forty-five Million Eight Hundred Eighteen
18 Thousand Six Hundred One Dollars (\$145,818,601.00).

19 SECTION 3. There is hereby appropriated to the Office of the
20 State Treasurer for deposit in the Oklahoma Pension Legacy Fund,
21 from any monies not otherwise appropriated from the General Revenue
22 Fund of the State Treasury for the fiscal year ending June 30, 2022,
23 the sum of Sixty-four Million Two Hundred Fifty Thousand Two Hundred
24 Ninety-nine Dollars (\$64,250,299.00).

1 SECTION 4. There is hereby appropriated to the Office of the
2 State Treasurer for deposit in the Oklahoma Pension Legacy Fund,
3 from any monies not otherwise appropriated from the General Revenue
4 Fund of the State Treasury for the fiscal year ending June 30, 2023,
5 the sum of One Billion Eight Hundred Forty-five Million Two Hundred
6 Fifty-three Thousand Seven Hundred Thirteen Dollars
7 (\$1,845,253,713.00).

8 SECTION 5. This act shall become effective July 1, 2024.

9 SECTION 6. It being immediately necessary for the preservation
10 of the public peace, health or safety, an emergency is hereby
11 declared to exist, by reason whereof this act shall take effect and
12 be in full force from and after its passage and approval.

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