

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 SENATE BILL 470

By: Paxton

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6 AS INTRODUCED

7 An Act relating to the Energy Discrimination
8 Elimination Act of 2022; defining term; requiring
9 state governmental entities to act in pecuniary
10 interest of plan participants when taking certain
11 action; prohibiting entities from relying upon
12 certain guidelines; prohibiting state governmental
13 entities from conducting certain practices with
14 certain exception; requiring certain proxy votes to
15 be reported to the State Treasurer and published
16 publicly; directing rule promulgation; providing for
17 codification; and providing an effective date.

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

19 SECTION 1. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 12003.1 of Title 74, unless
21 there is created a duplication in numbering, reads as follows:

22 A. For the purposes of this section, the term "state
23 governmental entity" shall have the same meaning as Section 12002 of
24 Title 74 of the Oklahoma Statutes.

25 B. All shares held directly or indirectly by or on behalf of a
26 state governmental entity, the participants, and their beneficiaries

1 shall be voted solely in the pecuniary interest of plan participants
2 and their beneficiaries.

3 A state governmental entity shall not rely on any voting
4 decision guidance from any company listed by the State Treasurer
5 pursuant to subsection A of Section 12003 of Title 74 of the
6 Oklahoma Statutes.

7 C. Unless no economically practicable alternative is available:

8 1. A state governmental entity shall not grant proxy voting
9 authority to any person who is not a part of the entity unless that
10 person has a practice of, and in writing commits to, following
11 guidelines that match the state governmental entity's obligation to
12 act solely upon pecuniary factors;

13 2. State governmental entity assets shall not be entrusted to a
14 fiduciary, unless that fiduciary has a practice of, and in writing
15 commits to, following guidelines when engaging with portfolio
16 companies and voting shares or proxies that match the state
17 governmental entity's obligation to act solely upon pecuniary
18 factors; and

19 3. An investment manager, fiduciary, or state governmental
20 entity shall not adopt a practice of following the recommendations
21 of a proxy adviser or other service provider, unless such adviser or
22 service provider has a practice of, and in writing commits to,
23 following proxy voting guidelines that match the governmental
24 entity's obligation to act solely upon pecuniary factors.

1 D. All proxy votes shall be tabulated and reported annually to
2 the State Treasurer. For each vote, the report shall contain a vote
3 caption, the plan's vote, the recommendation of company management,
4 and, if applicable, the proxy adviser's recommendation. These
5 reports shall be posted on a publicly available webpage on the
6 Treasurer's website. The State Treasurer shall promulgate rules to
7 implement this provision.

8 SECTION 2. This act shall become effective November 1, 2023.

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