

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 59<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 1617</b>
<b>Version:</b>	<b>FA1</b>
<b>Request Number:</b>	<b>10672</b>
<b>Author:</b>	<b>Rep. Lepak</b>
<b>Date:</b>	<b>3/6/2024</b>
<b>Impact:</b>	<b>\$0</b>

**Research Analysis**

The floor substitute for HB1617 creates the Oklahoma Public Finance Protection Act, requiring fiduciaries and designated proxy advisory firms of a pension benefit plan to vote and exercise their duties solely in the pecuniary interest of plan participants and prohibits the consideration of non-pecuniary factors unless they present economic risks or opportunities that qualified investment professionals would treat as material economic considerations under generally accepted investment theories. *Non-pecuniary* is defined as any action taken or factor considered by a fiduciary with a purpose to further environmental, social or political goals. The measure applies to any pension plan offered by the state or its political subdivisions and enterprises with the exception of the Pathfinder plan.

If the boards of a pension plan chooses to use proxy services, the selected firm or provider must sign a written commitment to act based only on pecuniary factors.

The measure also establishes reporting requirement for proxy voting, which must be reported and tabulated annually and posted on a public website.

Additionally, the measure empowers the Attorney General to enforce the act and provides civil immunity to all officers, board members and employees of any state pension plan for any act or omission related to the act. The bill also includes a severability clause in the event that a parts of the bills are ruled invalid by a court.

**DIFFERENCES BETWEEN FLOOR SUBSTITUTE AND INTRODUCED VERSION**

The floor substitute provides civil immunity to officer, boards and employees of pension benefits plans, modifies several definitions and adds an emergency clause.

Prepared By: Quyen Do

**Fiscal Analysis**

HB 1617 establishes the Oklahoma Public Finance Protection Act, requiring fiduciaries to act solely in the pecuniary interest of the plan participant, prohibiting the consideration of non-pecuniary factors. This measure is not anticipated to have a direct fiscal impact on the state budget or have an actuarial impact on the Oklahoma Retirement System.

The floor substitute does not affect the fiscal impact of this measure.

Prepared By: Alexandra Ladner, House Fiscal Staff

## **Other Considerations**

None.

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