

BILL SUMMARY
1st Session of the 59th Legislature

Bill No.:	HB2777
Version:	Introduced
Request Number:	6234
Author:	Speaker McCall
Date:	2/21/2023
Impact:	Budget Impact: \$0

Research Analysis

HB2777, as introduced, requires fiduciaries 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. Plan fiduciaries considering environmental, social, corporate governance, or other similarly oriented factors as pecuniary factors must examine the level of diversification, degree of liquidity, and the potential risk-return in comparison with other available alternative investments that could play a similar role in their investment portfolio.

The measure also revokes all current proxy voting authority and assigns the voting authority to the Board of Trustees or the governing officer of each plan. A board or governing officer may delegate its voting authority to a person who has a practice of and signs a written commitment to act based only on pecuniary factors. Every proxy vote taken by the designee must be tabulated and reported annually and posted on a publicly available website.

Additionally, the measure authorizes the Attorney General to examine records, conduct questioning under oath and impound documents to enforce the act.

Prepared By: Quyen Do

Fiscal Analysis

HB 2777 in its current form creates the Oklahoma Public Finance Protection Act. The measure implements policy designed to maximize financial returns on certain State investment assets. Such policy is not anticipated to have a negative impact on the value of such assets; however, could preserve such assets if not maximize asset value. The measure has no direct impact on the state budget or appropriations.

The measure authorizes the Attorney General to enforce the provisions on HB 2777, but does not mandate efforts expected to result in material costs to the agency.

Prepared By: John McPhetridge, House Fiscal Staff

Other Considerations

None.

