

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 SENATE BILL 957

By: Alvord

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6 AS INTRODUCED

7 An Act relating to public finance; modifying
8 investment procedures relating to local governments;
9 modifying authorized investments; repealing 62 O.S.
10 2021, Sections 348.1, as amended by Section 1,
11 Chapter 78, O.S.L. 2023, and 348.3, as amended by
12 Section 2, Chapter 78, O.S.L. 2023 (62 O.S. Supp.
13 2024, Sections 348.1 and 348.3), which relate to the
14 investment of funds; providing for codification;
15 providing an effective date; and declaring an
16 emergency.

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25 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 348 of Title 62, unless there is
created a duplication in numbering, reads as follows:

A. The governing body of any political subdivision of this
state, the authority of a public entity having as its beneficiary a
political subdivision, or the governing board of a qualified pooled
investment program established pursuant to paragraph 10 of
subsection B of this section shall authorize an investment policy by
ordinance or resolution directing the treasurer to invest public
funds. The authorized investment policy shall address liquidity,

1 diversification, safety of principal, yield, maturity and quality,
2 and capability of investment management. In accordance with the
3 investment policy, the treasurer shall place primary emphasis on
4 safety and liquidity in the investment of funds. The treasurer
5 shall, to the extent practicable, use competitive bids when
6 purchasing brokered securities and shall seek to maximize yield
7 within each class of investment instrument consistent with the
8 safety of the funds invested.

9 B. The written policy, ordinance, or resolution may authorize
10 the treasurer of the entity or of the qualified pooled investment
11 program to purchase and invest in any of the following:

12 1. Direct obligations of the federal government, the payment of
13 which the full faith and credit of the federal government is
14 pledged, its agencies, or its instrumentalities; federal agencies or
15 federal government-sponsored enterprise obligations, participations,
16 or other instruments, including those issued by or fully guaranteed
17 as to principal and interest by federal agencies or federal
18 government-sponsored enterprises;

19 2. Obligations, the payment of which the full faith and credit
20 of this state is pledged, or investment grade obligations of state
21 agencies, authorities, or instrumentalities rated A+ or better by
22 Standard and Poor's Corporation or A1 or better by Moody's Investors
23 Service or equivalent by another securities ratings organization;

1 3. Collateralized or insured certificates of deposits of banks
2 or credit unions located within the state and located outside of the
3 state when such certificates of deposits are secured by acceptable
4 collateral;

5 4. Negotiable certificates of deposit issued by a nationally or
6 state-chartered bank, a savings bank, a savings and loan
7 association, or a state-licensed branch of a foreign bank;

8 5. Savings accounts or savings certificates of banks or credit
9 unions where the funds are either secured by acceptable collateral
10 or fully insured by the Federal Deposit Insurance Corporation or the
11 National Credit Union Administration;

12 6. Direct debt obligations of county, municipal, or school
13 districts or their authorities for which an ad valorem tax may be
14 levied or paid by bond and revenue anticipation note; and of money
15 judgments against a county, municipal, or school district paid by
16 bonds or bond and revenue anticipation notes issued by a public
17 trust of which the county, municipality, or school district is a
18 beneficiary thereof;

19 7. Prime banker's acceptances which are eligible for purchase
20 by the Federal Reserve System and which do not exceed two hundred
21 seventy (270) days' maturity; provided, purchase of prime banker's
22 acceptances shall not exceed ten percent (10%) of the surplus funds
23 of the city or county which may be invested according to this
24 section; provided further, the restrictions of this paragraph shall

1 not apply to purchases of prime banker's acceptances by qualified
2 pooled investment programs established under paragraph 10 of this
3 section;

4 8. Repurchase agreements that have underlying collateral
5 consisting of those items specified in paragraphs 1 through 7 of
6 this subsection;

7 9. Money market funds regulated by the United States Securities
8 and Exchange Commission and which investments consist of those items
9 and those restrictions specified in paragraphs 1 through 8 of this
10 subsection; and

11 10. Qualified pooled investment programs, the investments of
12 which consist of those items specified in paragraphs 1 through 8 of
13 this subsection. To be qualified, a pooled investment program for
14 county funds or for city or town funds or a combination thereof must
15 be governed through an interlocal cooperative agreement formed
16 pursuant to Sections 1001 through 1008 of Title 74 of the Oklahoma
17 Statutes. Prior to participating in a qualified pooled investment
18 program, the governing body of such county, city, or town must
19 authorize participation through its written investment policy.
20 Notwithstanding differences in permissible investment securities, a
21 public subdivision that elects to participate in a local government
22 investment pool within this section consents to investment
23 securities that are legally authorized within the pool.

1 C. The income received on an investment may be placed in the
2 general fund, rainy day fund, capital reserve fund, or the fund from
3 which the investment was made.

4 D. Investments shall be made with judgment and care, under
5 circumstances then prevailing, which persons of prudence,
6 discretion, and intelligence exercise in the management of their own
7 affairs, not for speculation, but for investment, considering the
8 probable safety of the capital as well as the probable income to be
9 derived.

10 SECTION 2. REPEALER 62 O.S. 2021, Sections 348.1, as
11 amended by Section 1, Chapter 78, O.S.L. 2023, and 348.3, as amended
12 by Section 2, Chapter 78, O.S.L. 2023 (62 O.S. Supp. 2024, Sections
13 348.1 and 348.3), are hereby repealed.

14 SECTION 3. This act shall become effective July 1, 2025.

15 SECTION 4. It being immediately necessary for the preservation
16 of the public peace, health or safety, an emergency is hereby
17 declared to exist, by reason whereof this act shall take effect and
18 be in full force from and after its passage and approval.

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