

ENROLLED HOUSE
BILL NO. 2535

By: Hamilton and Hefner of
the House

and

Rozell of the Senate

An Act relating to public finance; amending 62 O.S. 1991, Section 71.1, as amended by Section 1, Chapter 227, O.S.L. 1994 (62 O.S. Supp. 1995, Section 71.1), which relates to the Cash Management and Investment Oversight Commission; modifying provision related to meetings of the Executive Review Committee; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 62 O.S. 1991, Section 71.1, as amended by Section 1, Chapter 227, O.S.L. 1994 (62 O.S. Supp. 1995, Section 71.1), is amended to read as follows:

Section 71.1 A. There is hereby created the Cash Management and Investment Oversight Commission. The Commission shall consist of six (6) members as follows:

1. The Director of State Finance, or designee;
2. The Bank Commissioner, or designee;
3. The Administrator of the Oklahoma Department of Securities, or designee;
4. One citizen member appointed by the Speaker of the House of Representatives who shall have a demonstrated expertise in public or private investment finance and who shall serve at the Speaker's pleasure;
5. One citizen member appointed by the President Pro Tempore of the State Senate who shall be a certified public accountant or public accountant with a demonstrated expertise in public or private auditing procedures and who shall serve at the President Pro Tempore's pleasure; and
6. One citizen member appointed by the State Treasurer who shall have a demonstrated expertise in public or private investment funds management and who shall serve at the State Treasurer's pleasure. The citizen member appointed by the State Treasurer shall be an ex officio and nonvoting member. Said citizen member shall not serve as chairperson of the Commission.

B. The appointed members shall have no direct or indirect business relationship with the State Treasurer or the State Treasurer's Office.

C. The initial meeting shall be called by the Governor before September 1, 1991. The Commission shall elect from its membership, other than the citizen member appointed by the State Treasurer, a chairperson and vice-chairperson. Such officers shall serve one-year terms and may be reelected. There shall be an Executive Review Committee of the Cash Management and Investment Oversight Commission consisting of the Director of State Finance, the Bank Commissioner

and the Administrator of the Oklahoma Department of Securities or their respective designees. The Director of the Office of State Finance shall call a meeting to organize the Executive Review Committee. The Executive Review Committee shall elect from its membership a chairperson who shall serve for a period of one (1) year and who may be reelected. The Executive Review Committee shall meet ~~at least once each month and~~ at such ~~other~~ times as it deems necessary for the performance of its duties.

D. The Commission shall hold regular meetings at least once each quarter, and at such other times as it deems necessary for the performance of its duties. The date, time and place of the meetings shall be set by the Commission. The Legislative Service Bureau shall provide the administrative support required by the Commission. The Commission shall be staffed by the Legislative Service Bureau who shall prepare all materials and information needed by the Commission to perform its duties and responsibilities. Meetings of the Commission and of the Executive Review Committee of the Commission shall be subject to the Oklahoma Open Meeting Act, and their records shall be public records pursuant to the Oklahoma Open Records Act.

E. The Commission in conjunction with the State Auditor and Inspector shall develop a standardized and uniform reporting system which the State Treasurer shall use to make the reports required by Sections 89.7 and 89.10 of this title. The Commission shall prescribe such forms in order to obtain an objective and accurate analysis of the investment of state funds by the State Treasurer and to obtain an accurate analysis of investment performance according to an objective standard established by the Commission, no later than October 1, 1994. The Commission shall not be subject to the provisions of the Administrative Procedures Act for purposes of developing the reporting system required by this subsection. The Commission shall develop the reporting system and notify the State Treasurer of the reporting format requirements not later than October 1, 1994. The State Treasurer shall begin making reports on the forms so developed not later than December 31, 1994. The Commission shall review the reports prepared by the State Treasurer pursuant to Sections 89.7 and 89.10 of this title. The Commission shall review with the State Treasurer investment strategies and practices and the development of internal auditing procedures and practices. The Commission shall review the reports submitted by the State Treasurer and shall identify any event, transaction or trend which the Commission determines to represent a violation or potential violation of law or public policy regarding the investment of state funds. The Commission shall specifically identify its concerns or objections and shall communicate such concerns or objections in writing to the State Treasurer.

F. The Commission staff shall submit a written report to each member of the Commission for each month of the calendar year which specifically identifies entities with whom or with which the State Treasurer has transacted business related to investment of any state funds during the applicable reporting period. Any person or entity to whom or to which any form of compensation has been or will be paid for services rendered to the State Treasurer's Office related to the investment of state funds shall be identified in the report. The report shall also be submitted to the Director of the Office of State Finance, the State Auditor and Inspector, the Speaker of the House of Representatives, the President Pro Tempore of the Senate and the Governor.

G. Members of the Commission shall serve without compensation, except for travel, pursuant to the State Travel Reimbursement Act, to be paid by the appointing authority.

H. The Commission may make written recommendations for changes in legislation to the Legislature or in the policies or procedures and practices of the State Treasurer to the State Treasurer.

I. The Commission shall determine by October 1, 1994, the positions, including but not limited to the investment officer, in the State Treasurer's Office which shall require criminal background investigations by the Oklahoma State Bureau of Investigation. The Bureau shall advise the State Treasurer and the Cash Management and Investment Oversight Commission in writing of the results of the investigation.

SECTION 2. This act shall become effective July 1, 1996.

SECTION 3. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the House of Representatives the 5th day of March, 1996.

Speaker of the House of
Representatives

Passed the Senate the 3rd day of April, 1996.

President of the Senate