

1 STATE OF OKLAHOMA

2 2nd Session of the 51st Legislature (2008)

3 COMMITTEE SUBSTITUTE

4 FOR

5 HOUSE BILL NO. 3312

By: McCullough

6
7 COMMITTEE SUBSTITUTE

8 An Act relating to public finance; creating the Task
9 Force on a Defined Contribution Retirement Plan for
10 the Uniform Retirement System for Justices and
11 Judges; providing for membership; requiring
12 organizational meeting; providing for selection of
13 chair and vice-chair; prescribing quorum
14 requirements; authorizing meetings; providing for
15 inapplicability of certain statutory provisions;
16 requiring notice of meetings; providing for staff
17 support; providing for travel reimbursement;
18 requiring analysis of issues related to defined
19 benefit and defined contribution retirement plans;
20 providing for presentation of information to Task
21 Force by certain persons; requiring final report;
22 specifying due date of report; providing for
23 cessation of operative effect; providing for
24 codification; and declaring an emergency.

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 3201 of Title 62, unless there
is created a duplication in numbering, reads as follows:

1 A. There is hereby created the "Task Force on Defined
2 Contribution Retirement Plan for the Uniform Retirement System for
3 Justices and Judges".

4 B. The Task Force shall consist of seventeen (17) members to be
5 selected as follows:

6 1. Four members to be appointed by the Governor:

7 a. one of whom shall be a member of the Oklahoma House of
8 Representatives or the Oklahoma State Senate,

9 b. one of whom shall be a person licensed to sell
10 securities in the state, and

11 c. two of whom shall each have significant experience in
12 the private sector with the establishment or
13 operation, or both, of either defined benefit
14 retirement plans or defined contribution retirement
15 plans;

16 2. Five members to be appointed by the Speaker of the Oklahoma
17 House of Representatives:

18 a. two of whom shall be members of the Oklahoma House of
19 Representatives,

20 b. one of whom shall be a person licensed to sell
21 securities in the state,

22 c. one of whom shall be an individual with significant
23 experience as an instructor at an institution of
24 higher learning, including but not limited to an

1 accredited law school, with expertise in the area of
2 federal income tax law, employee benefits law or the
3 law governing the administration of tax-qualified
4 retirement plans, and

- 5 d. one of whom shall have significant experience in the
6 private sector with the establishment or operation, or
7 both, of either defined benefit retirement plans or
8 defined contribution retirement plans;

9 3. Four members to be appointed by the President Pro Tempore of
10 the Oklahoma State Senate:

- 11 a. two of whom shall be members of the Oklahoma State
12 Senate,

- 13 b. one of whom shall be a person licensed to sell
14 securities in the state, and

- 15 c. one of whom shall have significant experience in the
16 private sector with the establishment or operation, or
17 both, of either defined benefit retirement plans or
18 defined contribution retirement plans; and

19 4. One member who shall be appointed by the Oklahoma Public
20 Employees Association;

21 5. One member who shall be the Executive Director of the
22 Oklahoma Public Employees Retirement System; and

1 6. Two members who shall be appointed by the Chief Justice of
2 the Oklahoma Supreme Court and who shall be members of the
3 judiciary.

4 C. The initial meeting of the Task Force shall take place not
5 later than sixty (60) days after the sine die adjournment of the
6 Second Regular Session of the Fifty-first Oklahoma Legislature.

7 D. During the organizational meeting of the Task Force, the
8 members shall select a chair and vice-chair.

9 E. A simple majority of the members of the Task Force shall be
10 required for a quorum. A quorum of the Task Force shall be required
11 in order to take any official action including the adoption of a
12 final report.

13 F. The Task Force shall be authorized to meet as often as may
14 be required in order to perform the duties imposed upon it.

15 G. The Task Force shall not be subject to the Oklahoma Open
16 Meeting Act, but shall provide notice of its meetings in a manner
17 reasonably calculated to provide notice to interested persons.
18 Meeting notices may be posted electronically to the website of the
19 Oklahoma House of Representatives or the Oklahoma State Senate, or
20 both, in order to meet the requirements of this subsection.

21 H. Staffing for the Task Force shall be provided by the
22 Oklahoma House of Representatives and the Oklahoma State Senate.

23 I. Travel reimbursement for legislators who are members of the
24 Task Force shall be made pursuant to Section 456 of Title 74 of the

1 Oklahoma Statutes. Travel reimbursement for other members of the
2 Task Force shall be made from available budgetary resources of the
3 applicable appointing authority and shall be subject to the State
4 Travel Reimbursement Act.

5 J. The Task Force shall undertake a study which shall include
6 the following:

7 1. Analysis of the current defined benefit retirement plans of
8 the Uniform Retirement System for Justices and Judges;

9 2. Analysis of the cost to the State of Oklahoma of maintaining
10 the defined benefit retirement plan for the Uniform Retirement
11 System for Justices and Judges;

12 3. Analysis of the potential benefits, including but not
13 limited to state budgetary savings, for the creation of a defined
14 contribution retirement plan for the relevant population of persons
15 currently participating in the Uniform Retirement System for
16 Justices and Judges;

17 4. Feasible structures for employer contribution matching
18 amounts in a defined contribution plan; and

19 5. Cost-benefit analysis comparing the advantages or
20 disadvantages of defined benefit plans and defined contribution
21 plans.

22 K. The Task Force shall hear informal testimony or
23 presentations from persons or organizations with expertise in the
24 establishment and operation of defined benefit plans and defined

1 contribution plans. Speakers or presenters may include the
2 executive directors of the public retirement systems, an actuary
3 whose services are provided to the Legislative Service Bureau to
4 fulfill duties imposed pursuant to the Oklahoma Pension Legislation
5 Actuarial Analysis Act, economists from institutions within The
6 Oklahoma State System of Higher Education, persons who manage
7 defined contribution plans for business entities with substantial
8 assets located in Oklahoma or having substantial gross payroll paid
9 to Oklahoma residents, and such other persons whose knowledge and
10 experience would be helpful to the Task Force.

11 L. The Task Force shall compile its findings and conclusions,
12 including specific recommendations regarding the continuation of the
13 existing public retirement system defined benefit plans, the
14 establishment of a defined contribution plan for the Uniform
15 Retirement System for Justices and Judges, the use of existing
16 revenue sources or dedicated tax sources in the financing of defined
17 benefit plans or the use of such sources in establishing and
18 operating defined contribution plans and such other matters as the
19 Task Force may deem to be relevant to a thorough study of the
20 possibility and feasibility of the implementation of a defined
21 contribution retirement plan for the Uniform Retirement System for
22 Justices and Judges.

23 M. The final report of the Task Force shall be presented to the
24 Governor, the Speaker of the Oklahoma House of Representatives and

1 the President Pro Tempore of the Oklahoma State Senate not later
2 than December 31, 2008.

3 N. The provisions of this section shall cease to have the force
4 and effect of law on January 31, 2009.

5 SECTION 2. It being immediately necessary for the preservation
6 of the public peace, health and safety, an emergency is hereby
7 declared to exist, by reason whereof this act shall take effect and
8 be in full force from and after its passage and approval.

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10 51-2-10304 MMP 02/25/08

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