

THE HOUSE OF REPRESENTATIVES
Tuesday, February 26, 2008

Committee Substitute for
House Bill No. 3312

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 3312 - By: MCCULLOUGH of the House.

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

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

1 SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma
2 Statutes as Section 3201 of Title 62, unless there is created a duplication in numbering,
3 reads as follows:

4 A. There is hereby created the “Task Force on Defined Contribution Retirement
5 Plan for the Uniform Retirement System for Justices and Judges”.

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

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

- 1 a. one of whom shall be a member of the Oklahoma House of
- 2 Representatives or the Oklahoma State Senate,
- 3 b. one of whom shall be a person licensed to sell securities in the state,
- 4 and
- 5 c. two of whom shall each have significant experience in the private
- 6 sector with the establishment or operation, or both, of either defined
- 7 benefit retirement plans or defined contribution retirement plans;

8 2. Five members to be appointed by the Speaker of the Oklahoma House of
9 Representatives:

- 10 a. two of whom shall be members of the Oklahoma House of
- 11 Representatives,
- 12 b. one of whom shall be a person licensed to sell securities in the state,
- 13 c. one of whom shall be an individual with significant experience as an
- 14 instructor at an institution of higher learning, including but not
- 15 limited to an accredited law school, with expertise in the area of
- 16 federal income tax law, employee benefits law or the law governing the
- 17 administration of tax-qualified retirement plans, and
- 18 d. one of whom shall have significant experience in the private sector
- 19 with the establishment or operation, or both, of either defined benefit
- 20 retirement plans or defined contribution retirement plans;

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

- 1 a. two of whom shall be members of the Oklahoma State Senate,
2 b. one of whom shall be a person licensed to sell securities in the state,
3 and
4 c. one of whom shall have significant experience in the private sector
5 with the establishment or operation, or both, of either defined benefit
6 retirement plans or defined contribution retirement plans; and
7 4. One member who shall be appointed by the Oklahoma Public Employees
8 Association;
9 5. One member who shall be the Executive Director of the Oklahoma Public
10 Employees Retirement System; and
11 6. Two members who shall be appointed by the Chief Justice of the Oklahoma
12 Supreme Court and who shall be members of the judiciary.
13 C. The initial meeting of the Task Force shall take place not later than sixty (60)
14 days after the sine die adjournment of the Second Regular Session of the Fifty-first
15 Oklahoma Legislature.
16 D. During the organizational meeting of the Task Force, the members shall select a
17 chair and vice-chair.
18 E. A simple majority of the members of the Task Force shall be required for a
19 quorum. A quorum of the Task Force shall be required in order to take any official action
20 including the adoption of a final report.
21 F. The Task Force shall be authorized to meet as often as may be required in order
22 to perform the duties imposed upon it.

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

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

8 I. Travel reimbursement for legislators who are members of the Task Force shall be
9 made pursuant to Section 456 of Title 74 of the Oklahoma Statutes. Travel
10 reimbursement for other members of the Task Force shall be made from available
11 budgetary resources of the applicable appointing authority and shall be subject to the
12 State Travel Reimbursement Act.

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

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

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

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

1 4. Feasible structures for employer contribution matching amounts in a defined
2 contribution plan; and

3 5. Cost-benefit analysis comparing the advantages or disadvantages of defined
4 benefit plans and defined contribution plans.

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

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

1 of the implementation of a defined contribution retirement plan for the Uniform
2 Retirement System for Justices and Judges.

3 M. The final report of the Task Force shall be presented to the Governor, the
4 Speaker of the Oklahoma House of Representatives and the President Pro Tempore of
5 the Oklahoma State Senate not later than December 31, 2008.

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

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

12 COMMITTEE REPORT BY: COMMITTEE ON ECONOMIC DEVELOPMENT AND
13 FINANCIAL SERVICES, dated 02-25-08 - DO PASS, As Amended.