

1 STATE OF OKLAHOMA

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

3 SENATE BILL 1826

By: Mazzei

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6 AS INTRODUCED

7 An Act relating to public finance; creating the
8 County Retirement System Actuarial Analysis Act;
9 providing short title; defining terms; requiring
10 certain legislation to contain reference information;
11 providing procedures related to the introduction and
12 consideration of legislation affecting certain
13 retirement systems; specifying time period for
14 introduction of retirement bills; prescribing
15 procedures with respect to amendments to county
16 retirement bills; providing procedures related to the
17 consideration of a county retirement bill having a
18 fiscal impact; requiring actuarial investigation of
19 certain retirement bills by the County Actuary;
20 prescribing procedures relating to such
21 investigation; requiring the actuarial investigation
22 to include findings on certain specified factors
23 relevant to the county retirement bill under
24 consideration; authorizing legislative consideration
of certain retirement legislation after prescribed
period of time; prohibiting certain amendments;
prescribing procedures with respect to certain fiscal
amendments; specifying effective date for certain
retirement legislation; specifying requirements of a
county retirement bill with a fiscal impact;
requiring the State Board of Equalization to
determine if concurrent funding has been made for
certain retirement legislation; prescribing
procedures related to such determination; providing
for codification; and providing an effective date.

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

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

4 This act shall be known and may be cited as the "County
5 Retirement System Actuarial Analysis Act".

6 SECTION 2. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 3202 of Title 62, unless there
8 is created a duplication in numbering, reads as follows:

9 A. As used in the County Retirement System Actuarial Analysis
10 Act:

11 1. "Amendment" means any amendment, including a substitute
12 bill, made to a county retirement bill by any committee of the House
13 or Senate, any conference committee of the House or Senate or by the
14 House or Senate;

15 2. "County Actuary" means the firm or entity that has been
16 engaged by a county employees' retirement system pursuant to Section
17 952.2 of Title 19 of the Oklahoma Statutes;

18 3. "County retirement bill" means any bill or joint resolution
19 introduced or any bill or joint resolution amended by a member of
20 the Oklahoma Legislature which creates or amends any law directly
21 affecting a county retirement system;

22 4. "County retirement bill having a fiscal impact" means any
23 county retirement bill creating or establishing a retirement system
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1 and any other county retirement bill other than a nonfiscal county
2 retirement bill;

3 5. "County retirement system" means any county retirement
4 system established pursuant to Section 951 of Title 19 of the
5 Oklahoma Statutes by a county not having a population in excess of
6 five hundred ninety thousand (590,000) which provides retirement
7 benefits in the manner specified in Section 956 of Title 19 of the
8 Oklahoma Statutes. A county retirement system shall not participate
9 in the Oklahoma Public Employees Retirement System;

10 6. "CRB number" means that number preceded by the letters CRB
11 assigned to a county retirement bill by the respective staffs of the
12 Oklahoma State Senate and the Oklahoma House of Representatives when
13 the respective staff office prepares a county retirement bill for a
14 member of the Legislature;

15 7. "Nonfiscal amendment" means an amendment to a county
16 retirement bill having a fiscal impact, which amendment does not
17 change any factor of an actuarial investigation specified in
18 subsection A of Section of 9 this act;

19 8. "Nonfiscal retirement bill" means a retirement bill which
20 does not affect the cost or funding factors of a retirement system
21 or a retirement bill which affects such factors only in a manner
22 which does not:

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- 1 a. create an actuarial accrued liability for or increase
2 the actuarial accrued liability of the retirement
3 system affected by the bill, or
4 b. increase the normal cost of the retirement system
5 affected by the bill; and

6 9. "Reduction in cost amendment" means an amendment to a
7 retirement bill having a fiscal impact which reduces the cost of the
8 bill as such cost is determined by the actuarial investigation for
9 the bill prepared pursuant to Section 9 of this act.

10 SECTION 3. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 3203 of Title 62, unless there
12 is created a duplication in numbering, reads as follows:

13 A. No county retirement bill may be introduced by any member of
14 the Legislature unless, at the time of its introduction, the bill
15 has printed thereon in the upper right portion of each page of the
16 bill an RB number. Once a county retirement bill is presented to
17 the County Actuary, unless as otherwise provided by this subsection,
18 neither the applicable staff nor any person shall make any change in
19 the county retirement bill prior to its introduction into the
20 Legislature unless the bill is returned to the applicable staff
21 office and that office assigns a new CRB number to the bill. A
22 change in a county retirement bill by the applicable legislative
23 staff to correct nonsubstantive errors shall not require the
24 assignment of a new CRB number.

1 B. A measure that is not a county retirement bill when
2 introduced, but becomes amended to become a county retirement bill,
3 shall have printed thereon in the upper right corner of each page of
4 the bill a CRB number at the time the measure is deemed to be a
5 county retirement bill as provided in Section 4 of this act.

6 SECTION 4. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 3204 of Title 62, unless there
8 is created a duplication in numbering, reads as follows:

9 As a condition precedent to the introduction of any county
10 retirement bill, the applicable legislative staff, on behalf of the
11 member of the Legislature who intends to be the primary author of
12 the bill must present an exact copy of the proposed bill, which must
13 bear a CRB number, to the County Actuary. The County Actuary shall
14 determine whether the proposed bill is a county retirement bill
15 having a fiscal impact or a nonfiscal county retirement bill and
16 provide a written certification of that determination to the member
17 of the Legislature who intends to be the primary author of the bill.
18 Such certification shall specifically identify the proposed bill by
19 reference to the CRB number. If the proposed bill is introduced
20 into the Legislature, it shall have attached thereto the original of
21 the certification of the County Actuary. If the CRB number on the
22 bill as offered for introduction is different from the CRB number
23 shown on the certification of the County Actuary, or if the bill as
24 offered for introduction does not bear a CRB number on each page of

1 the bill, the bill may not be accepted for introduction by the
2 Secretary of the Senate or the Clerk of the House of
3 Representatives, and the bill may not be considered by any committee
4 of the House of Representatives or the Senate or by the House of
5 Representatives or the Senate. If the bill is certified as a county
6 retirement bill having a fiscal impact, its introduction shall also
7 be limited by the provisions of subsection A of Section 7 of this
8 title.

9 SECTION 5. NEW LAW A new section of law to be codified
10 in the Oklahoma Statutes as Section 3205 of Title 62, unless there
11 is created a duplication in numbering, reads as follows:

12 A. A nonfiscal county retirement bill may be introduced at any
13 time according to the applicable deadlines established by the House
14 of Representatives or Senate in any regular session of the
15 Legislature. After its introduction into the Legislature, a
16 nonfiscal county retirement bill may not be amended in any manner to
17 cause the bill to become a county retirement bill having a fiscal
18 impact. Except as otherwise provided by this section, any amendment
19 to such a bill shall be submitted to the County Actuary by the chair
20 of the committee, if a committee amendment, or by the presiding
21 officer of the Senate or House of Representatives if the amendment
22 was made by the Senate or the House of Representatives or by the
23 author of such bill when the bill is assigned to a conference
24 committee. An amendment with the sole purpose to strike or restore

1 the title or the enacting clause shall not be submitted to the
2 County Actuary. If the County Actuary certifies in writing that the
3 amendment does not cause the bill to become a county retirement bill
4 having a fiscal impact, the bill, as amended, may continue in the
5 legislative process as any other bill. If the County Actuary will
6 not issue such a certification for the amendment, the progress of
7 the bill in the legislative process will end, and the bill shall not
8 be considered further by either the House of Representatives or the
9 Senate.

10 B. An amendment to a nonfiscal county retirement bill which is
11 prohibited by subsection A of this section may be withdrawn by the
12 committee which made the amendment, if a committee amendment, or by
13 the Senate, if that body made the amendment, or by the House of
14 Representatives, if that body made the amendment or by the author,
15 if the amendment is made in conference. If the amendment is
16 withdrawn, the bill may continue in the legislative process as any
17 other bill, unless it is subsequently amended, and, in that event,
18 the provisions of this section shall apply to the subsequent
19 amendment.

20 C. A nonfiscal county retirement bill which is not amended
21 during the legislative process may be considered as any other bill.

22 SECTION 6. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 3206 of Title 62, unless there
24 is created a duplication in numbering, reads as follows:

1 A. Any amendment made to any non-retirement bill or resolution
2 which would cause the bill or resolution to become a nonfiscal
3 county retirement bill or a county retirement bill having a fiscal
4 impact as defined in the County Retirement System Actuarial Analysis
5 Act shall result in the bill or resolution being assigned a CRB
6 number by the applicable legislative staff. The bill or resolution
7 shall be submitted to the County Actuary by the chair of the
8 committee, if a committee amendment, or by the presiding officer of
9 the Senate or House of Representatives if the amendment was made by
10 the Senate or the House of Representatives or by the author of such
11 bill when the bill is assigned to a conference committee. If the
12 County Actuary certifies in writing that the amendment causes the
13 bill to become a nonfiscal county retirement bill and does not cause
14 the bill to become a county retirement bill having a fiscal impact,
15 the bill, as amended, may continue in the legislative process as any
16 other bill. If the County Actuary will not issue such a
17 certification for the amendment, the progress of the bill in the
18 legislative process will end, and the bill shall not be considered
19 further by either the Senate or House of Representatives.

20 B. An amendment to a non-retirement bill which causes the bill
21 to become a county retirement bill having a fiscal impact may be
22 withdrawn by the committee which made the amendment, if a committee
23 amendment, or by the Senate, if that body made the amendment, or by
24 the House of Representatives, if that body made the amendment, or by

1 the author of the bill, if the amendment was made in conference. If
2 the amendment is withdrawn, the bill may continue in the legislative
3 process as any other bill, unless it is subsequently amended, and,
4 in that event, the provision of this section shall apply to the
5 subsequent amendment.

6 SECTION 7. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 3207 of Title 62, unless there
8 is created a duplication in numbering, reads as follows:

9 A. 1. Except as otherwise provided in this subsection, any
10 county retirement bill having a fiscal impact may be introduced
11 according to the applicable deadlines established by the House of
12 Representatives or Senate only in any odd-numbered year during the
13 regular session. Any such county retirement bill may be passed by
14 the Legislature only during an even-numbered year of the regular
15 session. Any county retirement bill determined by the County
16 Actuary in an even-numbered year to be a county fiscal retirement
17 bill may be introduced in an even-numbered year, but shall not be
18 considered by the Legislature.

19 2. Notwithstanding the provisions of paragraph 1 of this
20 subsection, any county retirement bill having a fiscal impact may be
21 introduced, considered and enacted in any year of a regular session
22 of the Legislature if such county retirement bill is introduced
23 solely for the purpose of an unforeseen or emergency situation that
24 needs to be addressed immediately. Such county retirement bill

1 shall only be considered if three-fourths (3/4) of the membership of
2 each House votes to allow the retirement bill to be considered.
3 Such county retirement bill shall be subject to an actuarial
4 investigation by the County Actuary in the year the bill is
5 introduced and considered and shall require concurrent funding, if
6 applicable.

7 B. When a county retirement bill having a fiscal impact is
8 introduced, it shall be assigned to the respective Senate or House
9 of Representatives standing committee or subcommittee that is
10 primarily responsible for the consideration of retirement
11 legislation. If a majority of the total membership of such
12 committee is opposed to the bill on its merits, no actuarial
13 investigation provided for in Section 9 of this title shall be
14 necessary, and the bill shall not be reported out by the committee
15 and shall not be adopted or considered by the House of
16 Representatives or the Senate. If a majority of the committee
17 wishes to consider the bill further and votes in favor of an
18 actuarial investigation of the bill, an actuarial investigation
19 shall be required as provided in Section 9 of this title. Except as
20 otherwise provided by subsection C of this section, no county
21 retirement bill having a fiscal impact may be reported out of the
22 committee to which it is assigned or may be considered or adopted by
23 the House of Representatives or the Senate unless an actuarial
24 investigation of the bill is made.

1 C. The committee to which a county retirement bill having a
2 fiscal impact is assigned following its introduction may amend the
3 bill to become a nonfiscal county retirement bill. If the bill is
4 so amended, an exact copy of the amended version shall be submitted
5 by the chair of the committee to the County Actuary. If the County
6 Actuary issues a written certification that the committee amendment
7 has converted the status of the bill to a nonfiscal county
8 retirement bill, the bill shall be a nonfiscal county retirement
9 bill for all purposes under the provisions of this act as of the
10 date of the certification of the County Actuary. Only the committee
11 to which a county retirement bill having a fiscal impact is
12 originally assigned following its introduction may convert the bill
13 to a nonfiscal county retirement bill as authorized in this
14 subsection.

15 SECTION 8. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 3208 of Title 62, unless there
17 is created a duplication in numbering, reads as follows:

18 A. A county retirement bill having a fiscal impact which the
19 committee wishes to consider may be amended, if necessary, by the
20 committee. If a county retirement bill having a fiscal impact is
21 changed by the committee to which it is assigned, such change shall
22 be accomplished only by a substitute bill.

23 B. Immediately after a county retirement bill having a fiscal
24 impact has been considered and the committee has voted in favor of

1 an actuarial investigation, the chair of the committee to which the
2 bill was assigned shall transmit an exact copy of the bill, as
3 amended by a substitute bill by the committee, when applicable, to
4 the County Actuary. The copy submitted to the Legislative Actuary
5 shall bear a CRB number. The submission of the bill to the County
6 Actuary shall have attached thereto a letter signed by the chair of
7 the committee requesting the County Actuary to make or cause to be
8 made an actuarial investigation on the bill.

9 SECTION 9. NEW LAW A new section of law to be codified
10 in the Oklahoma Statutes as Section 3209 of Title 62, unless there
11 is created a duplication in numbering, reads as follows:

12 A. If an actuarial investigation of a county retirement bill
13 having a fiscal impact is requested under Section 8 of this act, it
14 shall be the duty of the County Actuary to complete or cause to be
15 completed such actuarial investigation by not later than December 1
16 of the same year during which the request for the actuarial
17 investigation was made. The actuarial investigation shall include,
18 but shall not be limited to, findings on the following factors as
19 such factors are relevant to the retirement bill under
20 consideration:

21 1. The dollar amount of the unfunded actuarial accrued
22 liability which will result from the bill for the retirement system
23 affected by the bill;

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1 2. The dollar amount of the annual normal cost which will
2 result from the bill for the retirement system affected by the bill;

3 3. A statement of the employer contribution rate currently in
4 effect for the retirement system affected by the bill;

5 4. A statement of the employer contribution rate necessary for
6 the retirement system to receive the required annual employer
7 contributions consistent with the most recently available valuation
8 report prepared by the actuary employed by the retirement system
9 affected by the bill;

10 5. A statement of the dollar amount of the increase in the
11 annual employer contribution, if an existing retirement system is
12 affected by the bill, or a statement of the total annual employer
13 contribution, if a new retirement system is established by the bill,
14 which will be necessary to maintain the retirement system affected
15 or established by the bill in an actuarially sound condition thereby
16 creating no increase in unfunded liability as defined by the most
17 recent actuarial evaluation of an existing system; and

18 6. A statement of the effect on the funded ratio for the
19 retirement system affected by the bill.

20 B. By not later than December 1 of the same year that the
21 request for an actuarial investigation was made, the completed
22 actuarial investigation shall be submitted by the County Actuary to
23 the chair of the committee who requested it along with a summary of
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1 the actuarial investigation which shall include the relevant
2 findings specified in subsection A of this section.

3 C. The chair of the committee, upon receipt of the information
4 provided for under subsection B of this section, shall cause the
5 summary of the actuarial investigation to be attached to all copies
6 of the version of the bill submitted to the County Actuary and made
7 available to committee members, other legislators and any other
8 interested parties. The original summary of the actuarial
9 investigation shall be attached to the original version of the
10 substitute bill, as amended by the committee under Section 8 of this
11 act, if applicable, or to the original version of the bill as
12 introduced if the bill was not changed by the committee prior to its
13 submission to the County Actuary for an actuarial investigation.

14 SECTION 10. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 3210 of Title 62, unless there
16 is created a duplication in numbering, reads as follows:

17 A. When a county retirement bill having a fiscal impact has had
18 an actuarial investigation pursuant to Section 9 of this act, the
19 bill may be considered at the next regular session of the
20 Legislature. If the bill as originally introduced was not changed
21 by the committee and the original version was submitted to the
22 County Actuary for an actuarial investigation, then the original
23 version of the bill is the only one, except as otherwise provided by
24 subsection B of this section, which may be considered by the

1 committee or by the House of Representatives or the Senate. If the
2 original bill was substituted by the committee and the substitute
3 version was the one submitted to the County Actuary, then that
4 substitute bill is the only one, except as otherwise provided by
5 subsection B of this section, which may be considered by the
6 committee or by the House of Representatives or the Senate.

7 B. After completion of an actuarial investigation, any
8 amendment to a county retirement bill having a fiscal impact shall
9 be out of order and shall not be allowed either by a committee or by
10 the House of Representatives or the Senate, except for a nonfiscal
11 or a reduction in cost amendment. Any amendment to a county
12 retirement bill having a fiscal impact shall be submitted to the
13 County Actuary by the chair of the committee, if a committee
14 amendment, or by the presiding officer of the Senate or the House of
15 Representatives if the amendment was made by the Senate or the House
16 of Representatives. If the County Actuary certifies in writing that
17 the amendment is a nonfiscal amendment or if the amendment results
18 in a reduction in cost and the County Actuary provides an actuarial
19 investigation as required in subsection A of Section 9 of this act,
20 then the bill as amended, with the County Actuary's certification or
21 actuarial investigation attached to the original of the amendment,
22 may continue in the legislative process. If the County Actuary will
23 not issue such a certification for the amendment or if there is no
24 actuarial study showing the reduced cost of the amendment, the

1 bill's progress in the legislative process will end, and the bill
2 shall not be considered further by either the House of
3 Representatives or the Senate.

4 C. An amendment to a county retirement bill having a fiscal
5 impact which is prohibited by subsection B of this section may be
6 withdrawn by the committee which made the amendment, if a committee
7 amendment, or by the Senate, if that body made the amendment, or by
8 the House of Representatives, if that body made the amendment. If
9 the amendment is withdrawn, the bill may continue in the legislative
10 process as any other bill, unless it is subsequently amended, and,
11 in that event, this section shall apply to the subsequent amendment.

12 SECTION 11. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 3211 of Title 62, unless there
14 is created a duplication in numbering, reads as follows:

15 Any county retirement bill having a fiscal impact which is
16 enacted by the Legislature and which is approved by the Governor or
17 which otherwise becomes law shall become effective on the first day
18 of July immediately following the regular session during which it
19 was enacted, but only if the enacted bill is concurrently funded as
20 provided by this section and only if the bill is approved as an
21 emergency measure by a vote of two-thirds (2/3) of all members
22 elected to each House. If an enacted bill does not receive a two-
23 thirds (2/3) vote of all members, the law shall become effective on
24 the first day of September immediately following the regular session

1 during which it was enacted. If an enacted bill, including one
2 approved by the Governor, is not concurrently funded as required by
3 this section, then such bill shall not become effective as law.

4 SECTION 12. NEW LAW A new section of law to be codified
5 in the Oklahoma Statutes as Section 3212 of Title 62, unless there
6 is created a duplication in numbering, reads as follows:

7 A. Following the close of each regular legislative session
8 during which county retirement bills having a fiscal impact may be
9 enacted, the State Board of Equalization shall make a determination
10 for each such bill enacted during such session, which is not vetoed
11 by the Governor, of whether or not provision has been made for the
12 concurrent funding of the bill in conformity with the applicable
13 requirements of Section 11 of this act.

14 B. The County Actuary, the Director of the Office of State
15 Finance, legislative staff, county retirement system administrators,
16 and employers shall provide such information and assistance as may
17 be necessary for the State Board of Equalization to make the
18 determinations required by subsection A of this section.

19 C. The State Board of Equalization shall make the
20 determinations required by subsection A of this section by not later
21 than the fifteenth day immediately following the last day on which
22 the Governor is authorized to veto bills following the close of each
23 regular legislative session. The State Board of Equalization's
24 findings shall be made in a report to the Secretary of State showing

1 the determination for each county retirement bill by reference to
2 the respective Senate or House of Representatives number for the
3 bill. The report shall be submitted to the Secretary of State by
4 not later than the last day on which the State Board of Equalization
5 is required to make the determinations. The Secretary of State
6 shall cause the State Board of Equalization's report to be printed
7 in the annual session laws of the State of Oklahoma.

8 SECTION 13. This act shall become effective November 1, 2008.

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