

1 ENGROSSED SENATE AMENDMENT
TO

2 ENGROSSED HOUSE
BILL NO. 2132

By: Steele of the House

and

Bingman of the Senate

7 An Act relating to public finance; enacting the Truth
8 in Funding Act; amending Section 3, Chapter 292,
9 O.S.L. 2006, as last amended by Section 32, Chapter
10 3, O.S.L. 2008, Section 7, Chapter 292, O.S.L. 2006,
11 as amended by Section 8, Chapter 367, O.S.L. 2007,
12 Section 11, Chapter 292, O.S.L. 2006, as amended by
13 Section 3, Chapter 186, O.S.L. 2007 and Section 12,
14 Chapter 292, O.S.L. 2006 (62 O.S. Supp. 2010,
15 Sections 3103, 3107, 3111 and 3112), which relate to
16 the Oklahoma Pension Legislation Actuarial Analysis
17 Act; modifying definitions; modifying provisions
18 related to concurrent funding; deleting provision
19 related to liabilities attributable to certain cost-
20 of-living adjustments; providing standard for
21 determination of concurrent funding; prohibiting
22 retirement systems from adopting cost-of-living
23 actuarial assumptions; providing certain measures not
24 effective and prohibiting administration without
concurrent funding determination; and providing for
noncodification.

18 AUTHOR: Add the following Senate Coauthor: Mazzei

19 AUTHOR: Add the following House Coauthor: McDaniel (Randy)

20 AMENDMENT NO. 1. Page 1, strike the title, enacting clause and
entire bill and insert

21 "An Act relating to public finance; amending Section
22 3, Chapter 292, O.S.L. 2006, as last amended by
23 Section 32, Chapter 3, O.S.L. 2008 and Section 11,
24 Chapter 292, O.S.L. 2006, as amended by Section 3,
Chapter 186, O.S.L. 2007 (62 O.S. Supp. 2010,
Sections 3103 and 3111), which relate to the Oklahoma

1 Pension Legislation Actuarial Analysis Act; modifying
2 definition; eliminating determination of certain
3 concurrent funding requirement; providing an
4 effective date; and declaring an emergency.

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

6 SECTION 1. AMENDATORY Section 3, Chapter 292, O.S.L.
7 2006, as last amended by Section 32, Chapter 3, O.S.L. 2008 (62 O.S.
8 Supp. 2010, Section 3103), is amended to read as follows:

9 Section 3103. As used in the Oklahoma Pension Legislation
10 Actuarial Analysis Act:

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

15 2. "RB number" means that number preceded by the letters "RB"
16 assigned to a retirement bill by the respective staffs of the
17 Oklahoma State Senate and the Oklahoma House of Representatives when
18 the respective staff office prepares a retirement bill for a member
19 of the Legislature;

20 3. "Legislative Actuary" means the firm or entity that enters
21 into a contract with the Legislative Service Bureau pursuant to
22 Section 452.15 of Title 74 of the Oklahoma Statutes to provide the
23 actuarial services and other duties provided for in the Oklahoma
24 Pension Legislation Actuarial Analysis Act;

1 4. "Nonfiscal amendment" means an amendment to a retirement
2 bill having a fiscal impact, which amendment does not change any
3 factor of an actuarial investigation specified in subsection A of
4 Section 3109 of this title;

5 5. "Nonfiscal retirement bill" means a retirement bill which
6 does not affect the cost or funding factors of a retirement system
7 or a retirement bill which affects such factors only in a manner
8 which does not:

- 9 a. grant a benefit increase under the retirement system
10 affected by the bill ~~except for cost-of-living~~
11 ~~adjustments provided to retirees of the retirement~~
12 ~~system, if the increase in actuarial accrued liability~~
13 ~~from the increase does not exceed the cumulative~~
14 ~~increase in actuarial accrued liability already fully~~
15 ~~reflected in its liabilities by the retirement system~~
16 ~~from an actuarial assumption of a cost-of-living~~
17 ~~adjustment of an existing retirement system which~~
18 ~~assumption was established by the retirement system as~~
19 ~~of December 31, 2006, or which shall not exceed two~~
20 ~~percent (2%) annually on a cumulative basis for a~~
21 ~~retirement system created on or after January 1, 2006,~~
22 ~~which bill shall specifically identify such cost-of-~~
23 ~~living increase,~~

- 1 b. create an actuarial accrued liability for or increase
2 the actuarial accrued liability of the retirement
3 system affected by the bill, or
- 4 c. increase the normal cost of the retirement system
5 affected by the bill except as otherwise provided by
6 subparagraph a of this paragraph.

7 A nonfiscal retirement bill shall include any retirement bill that
8 has as its sole purpose the appropriation or distribution or
9 redistribution of monies in some manner to a retirement system for
10 purposes of reducing the unfunded liability of such system or the
11 earmarking of a portion of the revenue from a tax to a retirement
12 system or increasing the percentage of the revenue earmarked from a
13 tax to a retirement system.

14 6. "Reduction in cost amendment" means an amendment to a
15 retirement bill having a fiscal impact which reduces the cost of the
16 bill as such cost is determined by the actuarial investigation for
17 the bill prepared pursuant to Section 3109 of this title;

18 7. "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 retirement system. A retirement bill shall not mean a
22 bill or resolution that impacts the revenue of any state tax in
23 which a portion of the revenue generated from such tax is earmarked
24 for the benefit of a retirement system;

1 8. "Retirement bill having a fiscal impact" means any
2 retirement bill creating or establishing a retirement system and any
3 other retirement bill other than a nonfiscal retirement bill; and

4 9. "Retirement system" means the Teachers' Retirement System of
5 Oklahoma, the Oklahoma Public Employees Retirement System, the
6 Uniform Retirement System for Justices and Judges, the Oklahoma
7 Firefighters Pension and Retirement System, the Oklahoma Police
8 Pension and Retirement System, the Oklahoma Law Enforcement
9 Retirement System, or a retirement system established after January
10 1, 2006.

11 SECTION 2. AMENDATORY Section 11, Chapter 292, O.S.L.
12 2006, as amended by Section 3, Chapter 186, O.S.L. 2007 (62 O.S.
13 Supp. 2010, Section 3111), is amended to read as follows:

14 Section 3111. A. Any retirement bill having a fiscal impact
15 which is enacted by the Legislature and which is approved by the
16 Governor or which otherwise becomes law shall become effective on
17 the first day of July immediately following the regular session
18 during which it was enacted, but only if the enacted bill is
19 concurrently funded as provided by this section and only if the bill
20 is approved as an emergency measure by a vote of two-thirds (2/3) of
21 all members elected to each House. If an enacted bill does not
22 receive a two-thirds (2/3) vote of all members, the law shall become
23 effective on the first day of September immediately following the
24 regular session during which it was enacted. If an enacted bill,

1 including one approved by the Governor, is not concurrently funded
2 as required by this section, then such bill shall not become
3 effective as law.

4 B. When a retirement bill having a fiscal impact amends a
5 retirement system having employer contributions funded from
6 appropriations by the Legislature, then appropriations for the first
7 fiscal year of effectiveness of the bill, after it becomes law, must
8 include funds to pay the amount determined by the actuarial
9 investigation under paragraph 5 of subsection A of Section 3109 of
10 this title. It is the intent of the Legislature that future
11 appropriations for subsequent fiscal years must include an amount
12 necessary to maintain the actuarial soundness of the retirement
13 system in accordance with the findings of the actuarial
14 investigation. Any limitation on the rate of employer contributions
15 that may be included in a law which is the source of authority for a
16 retirement system affected by this subsection shall be amended to
17 the extent necessary to comply with the requirements of this
18 subsection.

19 C. When a retirement bill having a fiscal impact amends a
20 retirement system having employer contributions funded wholly or
21 partially from the funds of a political subdivision, that political
22 subdivision shall have a duty to produce funds as necessary to pay
23 all or its proportionate share of the amount determined by actuarial
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1 investigation under paragraph 5 of subsection A of Section 3109 of
2 this title.

3 D. When a retirement bill having a fiscal impact creates a new
4 retirement system, then employer contributions in conformity with
5 paragraph 5 of subsection A of Section 3109 of this title must be
6 made to the retirement system either by direct appropriations by the
7 Legislature or by another source of employer contributions
8 specifically provided for in the bill creating the new retirement
9 system.

10 ~~E. For purposes of determining the concurrent funding~~
11 ~~requirement imposed pursuant to this section with respect to a~~
12 ~~fiscal retirement bill, if a bill to provide a cost-of-living~~
13 ~~adjustment to the retirees of the applicable retirement system would~~
14 ~~have the effect of increasing the liabilities of the retirement~~
15 ~~system in excess of the liabilities already reflected in the~~
16 ~~retirement system's actuarial assumption for such cost-of-living~~
17 ~~adjustment, as defined in Section 3103 of this title, only the~~
18 ~~amount of the excess liabilities not already included in the~~
19 ~~applicable actuarial assumption for the system shall require~~
20 ~~concurrent funding.~~

21 SECTION 3. This act shall become effective July 1, 2011.

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

3 Passed the Senate the 19th day of April, 2011.

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Presiding Officer of the Senate

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7 Passed the House of Representatives the ____ day of _____,

8 2011.

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Presiding Officer of the House
of Representatives

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