

STATE OF OKLAHOMA

1st Session of the 53rd Legislature (2011)

COMMITTEE SUBSTITUTE
FOR

HOUSE BILL NO. 1011

By: McDaniel (Randy) and Dorman

COMMITTEE SUBSTITUTE

An Act relating to public retirement systems; enacting the Teachers' Retirement System Cost-of-Living Adjustment Funding Source Act of 2011; providing for apportionment of certain oil and gas lease revenues by Commissioners of the Land Office to the Teachers' Retirement System Cost-of-Living Adjustment Reserve Fund; prescribing percentage of revenues for apportionment; providing for retention of monies until cost-of-living adjustment authorized; providing for investment of principal; requiring cost-of-living adjustment to be funded from balance; providing for effect of section contingent upon amendment to the Oklahoma Enabling Act; creating the Teachers' Retirement System Cost-of-Living Adjustment Reserve Fund; providing for apportionment of certain revenues; providing for apportionment contingent upon amendment to the Oklahoma Enabling Act; providing method for expenditures; providing for codification; providing for noncodification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law not to be codified in the Oklahoma Statutes reads as follows:

1 This act shall be known and may be cited as the "Teachers'
2 Retirement System Cost-of-Living Adjustment Funding Source Act of
3 2011".

4 SECTION 2. NEW LAW A new section of law to be codified
5 in the Oklahoma Statutes as Section 1005.1 of Title 62, unless there
6 is created a duplication in numbering, reads as follows:

7 A. Subject to the provisions of subsection D of this section,
8 beginning January 1, 2012, and for each of the following nine (9)
9 fiscal years, the Commissioners of the Land Office shall apportion
10 the lesser of fifty percent (50%) or Twenty Million Dollars
11 (\$20,000,000.00) of the revenues derived from the leasing of oil and
12 gas mineral rights pursuant to Section 8 of the Oklahoma Enabling
13 Act, 34 U.S. St. at Large, pp. 267-278, to the Teachers' Retirement
14 System Cost-of-Living Adjustment Reserve Fund created pursuant to
15 Section 3 of this act.

16 B. All monies apportioned pursuant to subsection A of this
17 section shall remain in the Teachers' Retirement System Cost-of-
18 Living Adjustment Reserve Fund until a cost-of-living adjustment for
19 the retirees and beneficiaries of the Teachers' Retirement System of
20 Oklahoma is authorized by law. Monies in the fund shall be invested
21 according to the same standards applicable to the investment of
22 other state revenues and all accrued interest shall become part of
23 the principal of the fund.

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1 C. The cost-of-living adjustment provided to the retirees and
2 beneficiaries of the Teachers' Retirement System of Oklahoma shall
3 only be funded using the available balance of money contained in the
4 Teachers' Retirement System Cost-of-Living Adjustment Reserve Fund
5 and shall not be funded from any other source.

6 D. The provisions of this section shall be contingent upon the
7 enactment of an amendment to Section 8 of the Oklahoma Enabling Act,
8 34 U.S. St. at Large, pp. 267-278, which specifically authorizes the
9 deposit of oil and gas lease revenues as provided herein.

10 SECTION 3. NEW LAW A new section of law to be codified in
11 the Oklahoma Statutes as Section 1005.2 of Title 62, unless there is
12 created a duplication in numbering, reads as follows:

13 There is hereby created in the State Treasury a fund for the
14 Commissioners of the Land Office to be designated the "Teachers'
15 Retirement System Cost-of-Living Adjustment Reserve Fund". The fund
16 shall be a continuing fund, not subject to fiscal year limitations,
17 and subject to the requirements of subsection D of Section 2 of this
18 act shall consist of all monies received by the Commissioners of the
19 Land Office from the portion of revenues derived from oil and gas
20 leases as described pursuant to Section 2 of this act. Expenditures
21 from said fund shall be made only pursuant to legislative
22 appropriation from the Teachers' Retirement System Cost-of-Living
23 Adjustment Reserve Fund to the Teachers' Retirement System Dedicated
24 Revenue Revolving Fund to offset the liability amount of any

1 | legislatively authorized cost-of-living adjustment for the retirees
2 | or beneficiaries of the Teachers' Retirement System of Oklahoma.

3 | SECTION 4. This act shall become effective January 1, 2012.

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