

HOUSE OF REPRESENTATIVES - FLOOR VERSION

STATE OF OKLAHOMA

2nd Session of the 53rd Legislature (2012)

COMMITTEE SUBSTITUTE
FOR
HOUSE JOINT
RESOLUTION NO. 1091

By: McDaniel (Randy) of the
House

and

Anderson of the Senate

COMMITTEE SUBSTITUTE

A Joint Resolution directing the Secretary of State to refer to the people for their approval or rejection a proposed amendment to the Constitution of the State of Oklahoma by adding a new Section 13 to Article XXIII; prohibiting enactment of legislation violative of certain laws related to prohibited diversion of pension plan assets; imposing investment standard; requiring funding of pension systems based on actuarially required contribution amounts; providing exceptions; imposing duty on Legislature with respect to funding standards for purposes of actuarial soundness; requiring professional actuarial investigations; providing ballot title; and directing filing.

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE OF THE
2ND SESSION OF THE 53RD OKLAHOMA LEGISLATURE:

SECTION 1. The Secretary of State shall refer to the people for their approval or rejection, as and in the manner provided by law,

1 the following proposed amendment to the Constitution of the State of
2 Oklahoma by adding a new Section 13 to Article XXIII thereof, to
3 read as follows:

4 Section 13. A. The Legislature shall not enact legislation
5 with respect to a public retirement system that would violate the
6 provisions of law applicable to tax-qualified pension plans if the
7 state law would constitute a prohibited diversion of plan assets.

8 B. The investments made by the public retirement systems shall
9 be made with the care, skill, prudence, and diligence under the
10 circumstances then prevailing that a prudent person acting in a like
11 capacity and familiar with such matters would use in the conduct of
12 an enterprise of a like character and with like aims by diversifying
13 the investments of the system so as to minimize the risk of large
14 losses, unless under the circumstances it is clearly prudent not to
15 do so.

16 C. The actuarially required contribution amount for all public
17 pension systems must be made each year unless the total actuarially
18 required contribution amount for all such public pension systems
19 would be greater than ten percent (10%) of the amount certified by
20 the State Board of Equalization in February pursuant to Section 23
21 of Article X of the Oklahoma Constitution or unless a measure
22 authorizing a lesser amount than the actuarially required
23 contribution for all such public pension systems is passed by a
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1 measure receiving at least a three-fifths (3/5) supermajority in
 2 each chamber of the Legislature and such measure is enacted as law.

3 D. It shall be the duty of the Legislature to define the
 4 funding sources and standards required for the adoption of new
 5 benefit improvements which will assure the actuarial soundness of
 6 any retirement or pension system supported wholly or partially from
 7 public funds. In addition, the Legislature shall obtain a
 8 professional actuarial investigation for proposed laws designed to
 9 increase public pension benefits and costs under such practices as
 10 provided by law.

11 SECTION 2. The Ballot Title for the proposed Constitutional
 12 amendment as set forth in SECTION 1 of this resolution shall be in
 13 the following form:

14 BALLOT TITLE

15 Legislative Referendum No. _____ State Question No. _____

16 THE GIST OF THE PROPOSITION IS AS FOLLOWS:

17 This measure would amend the Oklahoma Constitution. It would
 18 add a new Section 13 to Article 23. This section is related to
 19 the state public retirement systems. It would create
 20 requirements in the Oklahoma Constitution for these public
 21 retirement systems. The Legislature could not enact a law that
 22 would conflict with any law that prohibits using retirement plan
 23 assets for something other than benefit payments. Public

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1 pension plan assets would be subject to the prudent investor
 2 rule. Each public pension plan would have to receive an amount
 3 of money recommended by its actuary to maintain the plan in good
 4 financial condition subject to two exceptions. The first
 5 exception would be if the amount required by those plans was
 6 more than ten percent (10%) of the amount certified by the State
 7 Board of Equalization in February each year. The second
 8 exception would be if the Legislature passed a measure by a
 9 three-fifths (3/5) vote to suspend the requirement. The
 10 Legislature would be required to establish standards to
 11 adequately fund public pension systems. It would require the
 12 Legislature to have proposed laws that could affect a retirement
 13 system reviewed by a professional actuary.

14 SHALL THE PROPOSAL BE APPROVED?

15 FOR THE PROPOSAL - YES _____

16 AGAINST THE PROPOSAL - NO _____

17 SECTION 3. The Chief Clerk of the House of Representatives,
 18 immediately after the passage of this resolution, shall prepare and
 19 file one copy thereof, including the Ballot Title set forth in
 20 SECTION 2 hereof, with the Secretary of State and one copy with the
 21 Attorney General.

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 23 COMMITTEE REPORT BY: COMMITTEE ON RULES, dated 02/16/2012 - DO PASS,
 24 As Amended and Coauthored.

UNDERLINED language denotes Amendments to present Statutes.
BOLD FACE CAPITALIZED language denotes Committee Amendments.
~~Strike thru~~ language denotes deletion from present Statutes.