



1        2. "Attorney General" means the chief legal officer of this  
2 state;

3        3. "Banking organization" means any bank, trust company,  
4 savings bank, safe deposit company, private banker, or any  
5 organization defined by other law as a bank or banking organization;

6        4. "Business association" means a non-public corporation,  
7 joint-stock company, investment company, business trust,  
8 partnership, or association for business purposes of two or more  
9 individuals whether or not for profit, including a banking  
10 organization, financial organization, insurance company, or utility;

11       5. "Domicile" means the state of incorporation of a corporation  
12 and the state of the principal place of business of an  
13 unincorporated person;

14       6. "Financial organization" means a savings and loan  
15 association, building and loan association, or credit union;

16       7. "Holder" means a person, wherever organized or domiciled,  
17 who is:

18           a. in possession of property belonging to another,

19           b. a trustee, or

20           c. indebted to another on an obligation;

21       8. "Insurance company" means an association, corporation,  
22 fraternal or mutual benefit organization, whether or not for profit,  
23 which is engaged in providing insurance coverage, including  
24 accidental, burial, casualty, credit life, contract performance,

1 dental, fidelity, fire, health, hospitalization, illness, life  
2 (including endowments and annuities), malpractice, marine, mortgage,  
3 surety, and wage protection insurance;

4 9. "Intangible property" includes:

- 5 a. money, checks, drafts, deposits, interest, dividends,  
6 and income,  
7 b. credit balances, customer overpayments, security  
8 deposits, refunds, credit memos, unpaid wages, unused  
9 airline tickets, and unidentified remittances,  
10 c. stocks and other intangible ownership interests in  
11 business associations,  
12 d. monies deposited to redeem stocks, bonds, coupons, and  
13 other securities, or to make distributions,  
14 e. amounts due and payable under the terms of insurance  
15 policies, and  
16 f. amounts distributable from a trust or custodial fund  
17 established under a plan to provide health, welfare,  
18 pension, vacation, severance, retirement, death, stock  
19 purchase, profit sharing, employee savings,  
20 supplemental unemployment insurance, education or  
21 similar benefits;

22 10. "Last-known address" means a description of the location of  
23 the apparent owner sufficient for the purpose of the delivery of  
24 mail;

1 11. "Memorandum" shall include a mark, symbol or statement  
2 indicating knowledge of or interest in funds on deposit;

3 12. "Mineral proceeds" includes:

4 a. all obligations to pay mineral proceeds resulting from  
5 the production and sale of minerals, including net  
6 revenue interest, royalties, overriding royalties,  
7 production payments, and payments under joint  
8 operating agreements, and

9 b. all obligations for the acquisition and retention of a  
10 mineral lease, including bonuses, delay rentals, shut-  
11 in royalties, and minimum royalties;

12 13. "Museum" means an institution which is located in this  
13 state and operated by a nonprofit corporation or a public agency  
14 primarily for educational, scientific, historic preservation or  
15 aesthetic purposes, and which owns, borrows, cares for, exhibits,  
16 studies archives or catalogues property. "Museum" includes, but is  
17 not limited to, historical societies, historical sites or landmarks,  
18 parks, monuments and libraries;

19 14. "Owner" means a depositor in the case of a deposit, a  
20 beneficiary in case of a trust other than a deposit in trust, a  
21 creditor, claimant, or payee in the case of other intangible  
22 property, or a person having a legal or equitable interest in  
23 property subject to the Uniform Unclaimed Property Act or the  
24 person's legal representative. Where more than one person is an

1 owner, the property shall not be presumed abandoned unless it has  
2 remained unclaimed by all of its owners for the periods hereinafter  
3 prescribed;

4 15. "Person" means an individual, business association, state  
5 or other government, governmental subdivision or agency, public  
6 corporation, public authority, estate, trust, two or more persons  
7 having a joint or common interest, or any other legal or commercial  
8 entity;

9 16. "State" means any state, district, commonwealth, territory,  
10 insular possession, or other area subject to the legislative  
11 authority of the United States;

12 17. "State Treasurer" or "Treasurer" means the duly elected and  
13 acting State Treasurer of Oklahoma;

14 18. "Tax Commission" or "Commission" means the Oklahoma Tax  
15 Commission; and

16 19. "Utility" means a person who owns or operates for public  
17 use any plant, equipment, property, franchise, or license for the  
18 transmission of communications, or the production, storage,  
19 transmission, sale, delivery, or furnishing of electricity, water,  
20 steam, or gas.

21 SECTION 2. AMENDATORY 60 O.S. 2011, Section 674.2, is  
22 amended to read as follows:

23 Section 674.2. If any person claims an interest in any property  
24 delivered to the State Treasurer in which the owner of the property

1 is determined to be deceased, the State Treasurer shall not pay over  
2 or deliver to the claimant property as provided in Section 651 et  
3 seq. of this title, unless the claimant provides the following  
4 items:

5 1. A certified copy of letters of administration or letters  
6 testamentary from the probate of the estate of the decedent naming  
7 the claimant as the personal representative of the estate of the  
8 decedent;

9 2. A certified copy of the decree of distribution from the  
10 probate of the estate of the decedent determining the claimant to be  
11 entitled to receive such property through the estate of the  
12 decedent;

13 3. If the owner of the property executed an inter vivos trust  
14 which provided for the disposition of the property of the owner, a  
15 properly verified copy of the trust instrument which shows the  
16 claimant is the trustee or beneficiary of the trust or otherwise  
17 entitled to the property reported;

18 4. If the property is derived from real property located in  
19 Oklahoma, a certified copy of a final decree quieting title of the  
20 decedent's real property, determining the claimant to be the  
21 successor in interest of decedent's ownership interest; ~~or~~

22 5. If the value of the property is Five Thousand Dollars  
23 (\$5,000.00) or more, a certified copy of the death certificate of  
24 the owner of the property;

1       6. If the value of the property is Ten Thousand Dollars  
2 (\$10,000.00) or less, a signed affidavit executed by the claimant  
3 stating that the claimant is entitled to receive such property, the  
4 reason the claimant is entitled to receive such property, that there  
5 has been no probate of the estate of the deceased owner, that no  
6 probate is contemplated and that claimant will indemnify the state  
7 for any loss, including attorney fees, should another claimant  
8 assert a prior right to the property.

9       The State Treasurer may require other reasonable documentation,  
10 in addition to the above items, to determine the validity of the  
11 claim.

12       SECTION 3.       AMENDATORY       60 O.S. 2011, Section 677, is  
13 amended to read as follows:

14       Section 677. A. The State Treasurer may decline to receive any  
15 property reported under the Uniform Unclaimed Property Act which the  
16 State Treasurer considers to have a value less than the expense of  
17 giving notice and of sale. The State Treasurer may promulgate rules  
18 pursuant to this subsection.

19       B. A holder, with the written consent of the State Treasurer  
20 and upon conditions and terms prescribed by the State Treasurer, may  
21 report and deliver property before the property is presumed  
22 abandoned. ~~Property delivered under this subsection must be held by~~  
23 ~~the State Treasurer and is not presumed abandoned until such time as~~  
24 ~~it otherwise would be~~ If a property holder reports and delivers

1 property to the State Treasurer before it is presumed abandoned  
2 under the Uniform Unclaimed Property Act and it is in the best  
3 interest of the property owner for the property to be treated as  
4 abandoned, the Treasurer shall treat the property as abandoned.

5 C. The State Treasurer may decline to accept weapons abandoned  
6 in safe deposit boxes which become property subject to the Uniform  
7 Unclaimed Property Act. Such property shall be deposited with a  
8 local sheriff or municipal police department.

9 D. If a claimant under the Uniform Unclaimed Property Act makes  
10 a verifiable and proper claim, but fails to properly transfer  
11 securities into the claimant's name within ninety (90) days of claim  
12 approval by the State Treasurer, the State Treasurer may, upon  
13 notice to claimant, sell and convert such securities to cash for the  
14 benefit of the claimant.

15 SECTION 4. AMENDATORY 62 O.S. 2011, Section 89.2, is  
16 amended to read as follows:

17 Section 89.2. A. The State Treasurer is directed to invest the  
18 maximum amount of funds under control of the State Treasurer  
19 consistent with good business practices; ~~provided that the Treasurer~~  
20 ~~shall keep eighty percent (80%) or more of the money under control~~  
21 ~~of the State Treasurer invested during each fiscal year based on the~~  
22 ~~average daily balances during the fiscal year.~~ Except as otherwise  
23 provided for by law, the investments shall earn not less than the  
24 rate for comparable maturities on United States Treasury

1 obligations. Except as otherwise provided for by law, the State  
2 Treasurer may purchase and invest only in:

3 1. Obligations of the United States Government, its agencies  
4 and instrumentalities, or other obligations fully insured or  
5 unconditionally guaranteed as to the payment of principal and  
6 interest by the United States government or any of its agencies and  
7 instrumentalities;

8 2. Collateralized or insured certificates of deposit and other  
9 evidences of deposit at banks, savings banks, savings and loan  
10 associations and credit unions located in this state;

11 3. Negotiable certificates of deposit issued by a nationally or  
12 state-chartered bank, a savings bank, a savings and loan association  
13 or a state-licensed branch of a foreign bank. Purchases of  
14 negotiable certificates of deposit shall not exceed ten percent  
15 (10%) of the cash available for investment which may be invested  
16 pursuant to this section. Not more than one-half (1/2) of the ten  
17 percent (10%) limit shall be invested in any one financial  
18 institution specified in this paragraph;

19 4. Prime banker's acceptances which are eligible for purchase  
20 by the Federal Reserve System and which do not exceed two hundred  
21 seventy (270) days' maturity. Purchases of prime banker's  
22 acceptances shall not exceed ten percent (10%) of the cash available  
23 for investment which may be invested pursuant to this section. Not  
24

1 more than three-fourths (3/4) of the ten percent (10%) limit shall  
2 be invested in any one commercial bank pursuant to this paragraph;

3 5. Prime commercial paper which shall not have a maturity that  
4 exceeds one hundred eighty (180) days nor represent more than ten  
5 percent (10%) of the outstanding paper of an issuing corporation.  
6 Purchases of prime commercial paper shall not exceed seven and one-  
7 half percent (7 1/2%) of the cash available for investment which may  
8 be invested pursuant to this section;

9 6. Investment grade obligations of state and local governments,  
10 including obligations of Oklahoma state public trusts which possess  
11 the highest rating from at least one nationally recognized rating  
12 agency acceptable to the State Treasurer. Purchases of investment  
13 grade obligations of state and local governments shall not exceed  
14 ten percent (10%) of the cash available for investment which may be  
15 invested pursuant to this section;

16 7. Repurchase agreements, provided that such agreements are  
17 included within the written investment policy required by subsection  
18 D of this section that have underlying collateral consisting of  
19 those items and those restrictions specified in paragraphs 1 through  
20 6 of this subsection;

21 8. Money market funds and short term bond funds regulated by  
22 the Securities and Exchange Commission and which investments consist  
23 of those items and those restrictions specified in paragraphs 1  
24 through 7 of this subsection; and

1 9. Bonds, notes, debentures or other similar obligations of a  
2 foreign government which the International Monetary Fund lists as an  
3 industrialized country and for which the full faith and credit of  
4 such nation has been pledged for the payment of principal and  
5 interest; provided, that any such security shall be rated at least  
6 A- or better by Standard & Poor's Corporation or A3 or better by  
7 Moody's Investors Service, or an equivalent investment grade by a  
8 securities ratings organization accepted by the National Association  
9 of Insurance Commissioners; and provided further, that the total  
10 investment in such foreign securities at any one time shall not  
11 exceed five percent (5%) of the cash available for investment which  
12 may be invested pursuant to this section. In no circumstance shall  
13 investments be made in bonds, notes, debentures or any similar  
14 obligations of a foreign government that:

15 a. is identified as a state sponsor of terrorism by the  
16 United States Department of State, or

17 b. any authoritarian or totalitarian government the  
18 sovereign powers of which are exercised through a  
19 single person or group of persons who are not elected  
20 by any form of legitimate popular voting.

21 B. Investments shall be made with judgment and care, under  
22 circumstances then prevailing, which persons of prudence, discretion  
23 and intelligence exercise in the management of their own affairs,  
24 not for speculation, but for investment, considering the probable

1 safety of their capital as well as the probable income to be  
2 derived.

3 C. The State Treasurer shall appoint an investment officer who  
4 shall perform duties related to the investment of state funds in the  
5 Office of the State Treasurer. The investment officer shall not  
6 perform or supervise any accounting functions, data processing  
7 functions or duties related to the documentation or settlement of  
8 investment transactions.

9 D. Investments of public funds by the State Treasurer shall be  
10 made in accordance with written policies developed by the State  
11 Treasurer. The written investment policies shall address:

- 12 1. Liquidity;
- 13 2. Diversification;
- 14 3. Safety of principal;
- 15 4. Yield;
- 16 5. Maturity and quality; and
- 17 6. Capability of investment management.

18 The State Treasurer shall place primary emphasis on safety and  
19 liquidity in the investment of public funds. To the extent  
20 practicable taking into account the need to use sound investment  
21 judgment, the written investment policies shall include provision  
22 for utilization of a system of competitive bidding in the investment  
23 of state funds. The written investment policies shall be designed  
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1 to maximize yield within each class of investment instrument,  
2 consistent with the safety of the funds invested.

3 E. The State Treasurer shall select one custodial bank to  
4 settle transactions involving the investment of state funds under  
5 the control of the State Treasurer. The State Treasurer shall  
6 review the performance of the custodial bank at least once every  
7 year. The State Treasurer shall require a written competitive bid  
8 every five (5) years. The custodial bank shall have a minimum of  
9 Five Hundred Million Dollars (\$500,000,000.00) in assets to be  
10 eligible for selection. Any out-of-state custodial bank shall have  
11 a service agent in the State of Oklahoma so that service of summons  
12 or legal notice may be had on such designated agent as is now or may  
13 hereafter be provided by law. In order to be eligible for  
14 selection, the custodial bank shall allow electronic access to all  
15 transaction and portfolio reports maintained by the custodial bank  
16 involving the investment of state funds under control of the State  
17 Treasurer. The access shall be given to both the State Treasurer  
18 and to the Cash Management and Investment Oversight Commission. The  
19 requirement for electronic access shall be incorporated into any  
20 contract between the State Treasurer and the custodial bank.  
21 Neither the State Treasurer nor the custodial bank shall permit any  
22 of the funds under the control of the State Treasurer or any of the  
23 documents, instruments, securities or other evidence of a right to  
24 be paid money to be located in any place other than within a

1 jurisdiction or territory under the control or regulatory power of  
2 the United States Government.

3 F. The investment policy shall specify the general philosophy,  
4 policies and procedures to be followed in the investment of state  
5 monies by the State Treasurer. The investment policy shall include,  
6 but not be limited to, the following:

- 7 1. Policy objectives;
- 8 2. Performance measure objectives;
- 9 3. Authority for investment program;
- 10 4. Possible use of an investment advisory committee;
- 11 5. Reporting and documentation of investments;
- 12 6. Authorized investment instruments;
- 13 7. Diversification of investment risk;
- 14 8. Maturity limitations;
- 15 9. Selections of financial institutions;
- 16 10. Interest controls;
- 17 11. Safekeeping of investments;
- 18 12. Investment ethics; and
- 19 13. Formal adoption of policy.

20 G. The State Treasurer shall provide weekly reports of all  
21 investments made by the State Treasurer if requested by the Cash  
22 Management and Investment Oversight Commission, and list any  
23 commissions, fees or payments made for services regarding such  
24 investments. The reports required by this subsection shall be

1 delivered to the Commission within three (3) business days of the  
2 end of the applicable week.

3 H. Not later than July 1 of each year, the State Treasurer  
4 shall forward a copy of the written investment policy to the  
5 Governor, the Speaker of the House of Representatives, the President  
6 Pro Tempore of the Senate, the Attorney General, the Bank  
7 Commissioner, and the Director of State Finance. In addition, the  
8 State Treasurer shall maintain one copy of the investment policy in  
9 the office of the State Treasurer for public inspection during  
10 regular business hours. Copies of any modifications to the  
11 investment policy shall be forwarded to the Governor, Speaker of the  
12 House of Representatives, President Pro Tempore of the Senate, and  
13 each member of the Cash Management and Investment Oversight  
14 Commission.

15 SECTION 5. This act shall become effective November 1, 2012.

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17 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated  
18 04/10/2012 - DO PASS.

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