

**HOUSE OF REPRESENTATIVES - FLOOR VERSION**

STATE OF OKLAHOMA

1st Session of the 54th Legislature (2013)

HOUSE JOINT  
RESOLUTION 1027

By: McDaniel (Randy) of the  
House

and

Mazzei of the Senate

AS INTRODUCED

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; imposing duty on Legislature with respect to funding sources for retirement and pension systems; imposing requirement for actuarial investigation; prohibiting enactment of laws violative of certain restriction governing plan assets; imposing duty of care with respect to investment of funds; providing ballot title; and directing filing.

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE OF THE  
1ST SESSION OF THE 54TH OKLAHOMA LEGISLATURE:

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

1 SECTION 1. The Secretary of State shall refer to the people for  
2 their approval or rejection, as and in the manner provided by law,  
3 the following proposed amendment to the Constitution of the State of  
4 Oklahoma by adding a new Section 13 to Article XXIII thereof, to  
5 read as follows:

6 A. To control the future obligations of the state, it shall be  
7 the duty of the Legislature to define adequate and predictable  
8 funding sources and standards required for the adoption of new  
9 benefit improvements for all state retirement or pension systems  
10 supported wholly or partially from public funds. In addition, the  
11 Legislature shall obtain a professional actuarial investigation for  
12 proposed laws designed to increase public pension benefits and costs  
13 under such practices as provided by law.

14 B. The Legislature shall not enact any legislation with respect  
15 to a public retirement system that would violate the provisions of a  
16 law applicable to tax-qualified pension plans if such a law would  
17 constitute a prohibited diversion of plan assets.

18 C. The investments made by the public retirement systems shall  
19 be made with the care, skill and diligence under the circumstances  
20 then prevailing that a prudent person acting in a like capacity  
21 would make.

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

4 BALLOT TITLE

5 Legislative Referendum No. \_\_\_\_\_ State Question No. \_\_\_\_\_

6 THE GIST OF THE PROPOSITION IS AS FOLLOWS:

7 This measure would amend the Oklahoma Constitution. It would  
8 add a new Section 13 to Article 23. This section is related to  
9 the state public retirement systems. It would create  
10 requirements in the Oklahoma Constitution for these public  
11 retirement systems. The Legislature would be required to  
12 establish standards to adequately fund public pension systems to  
13 control future state obligations. It would require the  
14 Legislature to have proposed laws that could affect a retirement  
15 system reviewed by a professional actuary. The Legislature  
16 could not enact a law that would violate tax-qualification  
17 provisions that prohibit using retirement plan assets for  
18 something other than benefit payments. Public pension plan  
19 assets would be subject to the prudent investor rule.

20 SHALL THE PROPOSAL BE APPROVED?

21 FOR THE PROPOSAL - YES \_\_\_\_\_

22 AGAINST THE PROPOSAL - NO \_\_\_\_\_

23  
24

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

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7 COMMITTEE REPORT BY: COMMITTEE ON ECONOMIC DEVELOPMENT AND FINANCIAL  
8 SERVICES, dated 02/07/2013 - DO PASS, As Coauthored.

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January 17, 2013

Representative Randy McDaniel  
Room 438

Re: RBH No. 6709

RBH No. 6709 calls for vote to amend the state constitution to require the legislature to take certain measures to protect the state's pension systems.

The legislature would have set standards to adequately fund the systems and have any bill affecting a retirement system to be reviewed by a professional actuary. No law would be passed to affect the IRS tax qualified status of any of states plans. Trust funds could only be used to pay benefits to the participants.

RBH No. 6709 is a nonfiscal retirement bill as defined by the Oklahoma Pension Legislation Actuarial Analysis Act.

*Thomas E. Cummins*

Thomas E. Cummins, MAAA