

1 **SENATE FLOOR VERSION**

2 February 12, 2014

3 **AS AMENDED**

4 SENATE BILL NO. 1728

By: Jolley of the Senate

and

Martin (Scott) of the House

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8 **[public finance - Cash Management and Investment
Oversight Commission**

9 **emergency]**

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

12 SECTION 1. AMENDATORY 62 O.S. 2011, Section 71.1, as
13 amended by Section 437, Chapter 304, O.S.L. 2012 (62 O.S. Supp.
14 2013, Section 71.1), is amended to read as follows:

15 Section 71.1. A. There is hereby created the Cash Management
16 and Investment Oversight Commission. The Commission shall consist
17 of five (5) members as follows:

18 1. The Director of the Office of Management and Enterprise
19 Services, or designee;

20 2. The Bank Commissioner, or designee;

21 3. The Administrator of the Oklahoma Department of Securities,
22 or designee;

23 4. One citizen member appointed by the Speaker of the House of
24 Representatives who shall have a demonstrated expertise in public or

1 private investment finance and who shall serve at the Speaker's
2 pleasure; and

3 5. One citizen member appointed by the President Pro Tempore of
4 the State Senate who shall be a certified public accountant or
5 public accountant with a demonstrated expertise in public or private
6 auditing procedures and who shall serve at the President Pro
7 Tempore's pleasure.

8 B. The appointed members shall have no direct or indirect
9 business relationship with the State Treasurer or the State
10 Treasurer's Office.

11 C. The Commission shall elect from its membership a chairperson
12 and vice-chairperson. Such officers shall serve one-year terms and
13 may be reelected. There shall be an Executive Review Committee of
14 the Cash Management and Investment Oversight Commission consisting
15 of the Director of the Office of Management and Enterprise Services,
16 the Bank Commissioner and the Administrator of the Oklahoma
17 Department of Securities or their respective designees. The
18 Director of the Office of Management and Enterprise Services shall
19 call a meeting to organize the Executive Review Committee. The
20 Executive Review Committee shall elect from its membership a
21 chairperson who shall serve for a period of one (1) year and who may
22 be reelected. The Executive Review Committee shall meet at such
23 times as it deems necessary for the performance of its duties.

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1 D. The Commission shall hold regular meetings at least once
2 each quarter, and at such other times as it deems necessary for the
3 performance of its duties. The date, time and place of the meetings
4 shall be set by the Commission. The ~~Legislative Service Bureau~~
5 Office of Management and Enterprise Services shall provide the
6 administrative support required by the Commission. The Commission
7 shall be staffed by the ~~Legislative Service Bureau~~ Office of
8 Management and Enterprise Services who shall prepare all materials
9 and information needed by the Commission to perform its duties and
10 responsibilities. Meetings of the Commission and of the Executive
11 Review Committee of the Commission shall be subject to the Oklahoma
12 Open Meeting Act, and their records shall be public records pursuant
13 to the Oklahoma Open Records Act.

14 E. The Commission in conjunction with the State Auditor and
15 Inspector shall develop a standardized and uniform reporting system
16 which the State Treasurer shall use to make the reports required by
17 Section 89.7 of this title. The Commission shall prescribe such
18 forms in order to obtain an objective and accurate analysis of the
19 investment of state funds by the State Treasurer and to obtain an
20 accurate analysis of investment performance according to an
21 objective standard established by the Commission. The Commission
22 shall not be subject to the provisions of the Administrative
23 Procedures Act for purposes of developing the reporting system
24 required by this subsection. The Commission shall review the

1 reports prepared by the State Treasurer pursuant to Section 89.7 of
2 this title. The Commission shall review with the State Treasurer
3 investment strategies and practices and the development of internal
4 auditing procedures and practices. The Commission shall review the
5 reports submitted by the State Treasurer and shall identify any
6 event, transaction or trend which the Commission determines to
7 represent a violation or potential violation of law or public policy
8 regarding the investment of state funds. The Commission shall
9 specifically identify its concerns or objections and shall
10 communicate such concerns or objections in writing to the State
11 Treasurer.

12 F. The Commission staff shall submit a written report to each
13 member of the Commission for each month of the calendar year which
14 specifically identifies entities with whom or with which the State
15 Treasurer has transacted business related to investment of any state
16 funds during the applicable reporting period. Any person or entity
17 to whom or to which any form of compensation has been or will be
18 paid for services rendered to the State Treasurer's Office related
19 to the investment of state funds shall be identified in the report.
20 The report shall also be submitted to the Director of the Office of
21 Management and Enterprise Services, the State Auditor and Inspector,
22 the Speaker of the House of Representatives, the President Pro
23 Tempore of the Senate and the Governor.

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1 G. Members of the Commission shall serve without compensation,
2 except for travel, pursuant to the State Travel Reimbursement Act,
3 to be paid by the appointing authority.

4 H. The Commission may make written recommendations for changes
5 in legislation to the Legislature or in the policies or procedures
6 and practices of the State Treasurer to the State Treasurer.

7 I. The Commission shall determine the positions, including but
8 not limited to the investment officer, in the State Treasurer's
9 Office which shall require criminal background investigations by the
10 Oklahoma State Bureau of Investigation. The Bureau shall advise the
11 State Treasurer and the Cash Management and Investment Oversight
12 Commission in writing of the results of the investigation.

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

17 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
18 February 12, 2014 - DO PASS AS AMENDED

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