STATE OF OKLAHOMA

1st Session of the 55th Legislature (2015)

COMMITTEE SUBSTITUTE
FOR
SENATE BILL 668

By: Jolley of the Senate

and

McDaniel (Randy) of the House

COMMITTEE SUBSTITUTE

An Act relating to retirement boards, amending 74 O.S. 2011, Section 941, as amended by Section 930, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2014, Section 941), which relates to the Oklahoma State Pension Commission; adding certain persons to the Commission; amending 74 O.S. 2011, Section 905, as last amended by Section 2, Chapter 342, O.S.L. 2013 (74 O.S. Supp. 2014, Section 905), which relates to the Oklahoma Public Employees Retirement System Board; modifying membership; adding certain person to Board; making gender neutral; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 74 O.S. 2011, Section 941, as amended by Section 930, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2014, Section 941), is amended to read as follows:

Section 941. A. There is hereby created the Oklahoma State Pension Commission. The Commission shall consist of ~~seven (7)~~ eight (8) members as follows:

1. The State Auditor and Inspector or that person's designee;

2. The Director of the Office of Management and Enterprise Services or that person's designee;

3. The State Treasurer or that person's designee;

4. One member who shall be a member of the Senate appointed by the President Pro Tempore of the Senate who shall serve at the pleasure of the appointing authority and who shall be an ex officio nonvoting member;

5. One member who shall be a member of the House of Representatives appointed by the Speaker of the House of Representatives who shall serve at the pleasure of the appointing authority and who shall be an ex officio nonvoting member;

6. One person to be appointed by the Governor who shall have at least ten (10) years of demonstrated experience in the banking industry; ~~and~~

7. One person to be appointed by the Governor who shall have at least ten (10) years of experience in professional pension planning, including demonstrated experience with defined benefit retirement plan design; and

8. The Superintendent of Public Instruction or a designee.

No member of the governing body of a state retirement system shall be eligible to be appointed to the Commission.

B. The Commission shall hold regular meetings at least once each quarter, the dates, time and place to be set by the Commission.

The Commission shall hold its first meeting prior to September 30, 1988.

C. The Office of the State Auditor and Inspector shall provide the administrative support required by the Commission.

D. The cost of providing the administrative support shall be apportioned by the State Auditor and Inspector among the Oklahoma Firefighters Pension and Retirement System, the Oklahoma Police Pension and Retirement System, the Uniform Retirement System for Justices and Judges, the Oklahoma Law Enforcement Retirement System, the Teachers' Retirement System of Oklahoma, the Oklahoma Public Employees Retirement System and the Department of Wildlife Conservation on behalf of the retirement plan adopted by the Wildlife Conservation Commission in proportion to the percentage that the assets of each system at the end of the preceding fiscal year were to the combined total of the assets of the systems.

SECTION 2. AMENDATORY 74 O.S. 2011, Section 905, as last amended by Section 2, Chapter 342, O.S.L. 2013 (74 O.S. Supp. 2014, Section 905), is amended to read as follows:

Section 905. (1) There shall be a Board of Trustees which shall consist of ~~thirteen (13)~~ fourteen (14) members as follows: a member of the Corporation Commission or the Commission's designee selected by the Corporation Commission, the Director of the Office of Management and Enterprise Services or the Director's designee, the State Insurance Commissioner or the Commissioner's designee, the

Director of Human Capital Management of the Office of Management and Enterprise Services, a member of the Oklahoma Tax Commission selected by the Tax Commission, three members appointed by the Governor, one member appointed by the Supreme Court, two members appointed by the Speaker of the House of Representatives and two members appointed by the President Pro Tempore of the State Senate. One member appointed by the Governor shall be an active member of the System. One member appointed by the Speaker shall be an active member of the System. One member appointed by the President Pro Tempore shall be a retired member of the System. <u>One member shall be the Oklahoma State Treasurer or the Treasurer's designee.</u>

(2) The member of the Board of Trustees on July 1, 1988, who was appointed by the Supreme Court shall complete the term of office for which the member was appointed. The members thereafter appointed by the Supreme Court shall serve terms of office of four (4) years.

(3) Members of the Board of Trustees on July 1, 1988, who were appointed by the Speaker of the House of Representatives or by the President Pro Tempore of the Senate shall complete their term of office for which they were appointed. The initial term of office of members appointed thereafter shall expire on January 8, 1991. The members thereafter appointed by the Speaker of the House of Representatives and by the President Pro Tempore of the Senate shall serve terms of office of four (4) years.

(4) The initial term of office of the members appointed by the Governor shall expire on January 14, 1991. The members thereafter appointed by the Governor shall serve a term of office of four (4) years which is coterminous with the term of office of the office of the appointing authority.

(5) One of the members appointed to the Board by the Speaker of the House of Representatives and by the President Pro Tempore of the Senate and two members appointed to the Board by the Governor shall:

(a) have demonstrated professional experience in investment or funds management, public funds management, public or private pension fund management or retirement system management,

(b) have demonstrated experience in the banking profession and have demonstrated professional experience in investment or funds management,

(c) be licensed to practice law in this state and have demonstrated professional experience in commercial matters, or

(d) be licensed by the Oklahoma Accountancy Board to practice in this state as a public accountant or a certified public accountant.

The appointing authorities, in making appointments that conform to the requirements of this subsection, shall give due consideration

to balancing the appointments among the criteria specified in paragraphs (a) through (d) of this subsection.

(6) No member of the Board of Trustees shall be a lobbyist registered in this state as provided by law.

(7) Any vacancy that occurs on the Board of Trustees shall be filled for the unexpired term in the same manner as the office was previously filled.

(8) Notwithstanding any of the provisions of this section to the contrary, any person serving as an appointed member of the Board on July 1, 1988, shall be eligible for reappointment when the term of office of the member expires.

(9) The Board shall elect one of its members as ~~Chairman~~ Chair of the Board at its annual meeting. He or she shall preside over meetings of the Board and perform such other duties as may be required by the Board.

(10) The Board shall also elect another member to serve as Vice ~~Chairman~~ Chair, and the Vice ~~Chairman~~ Chair shall perform duties of ~~Chairman~~ Chair in the absence of the latter or upon his or her inability or refusal to act.

SECTION 3. This act shall become effective July 1, 2015.

SECTION 4. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and

be in full force from and after its passage and approval.

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