

BILL SUMMARY
1st Session of the 56th Legislature

Bill No.:	HJR 1010
Version:	INT
Request Number:	5153
Author:	Rep. Montgomery
Date:	2/14/2017
Impact:	Provides Legislative Authorization For Certain Investment

Research Analysis

The measure sends to a vote of the people an amendment to the Oklahoma Constitution that would authorize the State of Oklahoma to invest public monies in stocks and similar assets. Prior to any investment of this kind the measure would require the approval of a three-fifths vote by the House of Representatives and Senate.

The measure provides certain restrictions on investments such as a prohibition from investing more than 80% of the available funds in stocks or similar assets, and barring the State of Oklahoma from owning more than 2% of any the voting stock of a company. Finally, the measure would prohibit the state from exercising any stock voting rights.

Prepared By: Kyle Meade

Fiscal Analysis

The measure permits the Legislature to direct the investment of any fund for the purpose of generating investment returns. Such actions require approval by three-fifths of each legislative body and approval by the Governor.

Investments may be made, with restrictions, in public traded equity securities and other assets beyond those authorized prior to November 1, 2018.

Any returns on future investments will depend on the performance and portfolio management strategies of the investments made.

Also, provision is made for entering into contracts with third parties for investment management services which, if utilized, may result in some form of fee or takeout, depending on the terms of any contract executed.

Prepared By: Mark Tygret

Other Considerations

None.

