

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 COMMITTEE SUBSTITUTE  
4 FOR

5 HOUSE BILL NO. 2547

6 By: O'Donnell and McBride

7 COMMITTEE SUBSTITUTE

8 An Act relating to public finance; imposing  
9 requirements with respect to certain shares;  
10 prohibiting governmental entities from relying on  
11 information provided by certain entities; prohibiting  
12 grant of proxy voting rights; providing exceptions;  
13 prohibiting public retirement systems from certain  
14 action; prohibiting actions with respect to advice  
15 provided by proxy advisers; requiring tabulation of  
16 certain proxy votes; requiring report to the State  
17 Treasurer; providing for codification; providing an  
18 effective date; and declaring an emergency.

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

20 SECTION 1. NEW LAW A new section of law to be codified  
21 in the Oklahoma Statutes as Section 8001 of Title 62, unless there  
22 is created a duplication in numbering, reads as follows:

23 A. All shares held directly or indirectly by or on behalf of a  
24 governmental entity and/or the participants and their beneficiaries  
shall be voted solely in the pecuniary interest of plan participants  
and their beneficiaries.

1 B. A governmental entity may not rely on any voting decision  
2 guidance from any company listed on the restricted financial  
3 institutions and companies generated by the Treasurer pursuant to  
4 Section 12003 of Title 74 of the Oklahoma Statutes.

5 C. Unless no economically practicable alternative is available,  
6 a governmental entity may not grant proxy voting authority to any  
7 person who is not a part of the governmental entity, unless that  
8 person has a practice of, and in writing commits to, following  
9 guidelines that match the governmental entity's obligation to act  
10 solely upon pecuniary factors.

11 D. Unless no economically practicable alternative is available,  
12 public retirement system assets shall not be entrusted to a  
13 fiduciary, unless that fiduciary has a practice of, and in writing  
14 commits to, follow guidelines, when engaging with portfolio  
15 companies and voting shares or proxies, that match the governmental  
16 entity's obligation to act solely upon pecuniary factors.

17 E. Unless no economically practicable alternative is available,  
18 an investment manager, fiduciary or governmental entity may not  
19 adopt a practice of following the recommendations of a proxy adviser  
20 or other service provider, unless such adviser or service provider  
21 has a practice of, and in writing commits to, follow proxy voting  
22 guidelines that match the governmental entity's obligation to act  
23 solely upon pecuniary factors.

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1 F. All proxy votes shall be tabulated and reported annually to  
2 the State Treasurer. For each vote, the report shall contain a vote  
3 caption, the plan's vote, the recommendation of company management,  
4 and, if applicable, the proxy adviser's recommendation. These  
5 reports shall be posted on a publicly available webpage on the State  
6 Treasurer's website.

7 SECTION 2. This act shall become effective July 1, 2023.

8 SECTION 3. It being immediately necessary for the preservation  
9 of the public peace, health or safety, an emergency is hereby  
10 declared to exist, by reason whereof this act shall take effect and  
11 be in full force from and after its passage and approval.

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