

1 STATE OF OKLAHOMA

2 2nd Session of the 59th Legislature (2024)

3 COMMITTEE SUBSTITUTE
4 FOR ENGROSSED
5 HOUSE BILL 2547

By: O'Donnell and McBride of
the House

and

Rader and Woods of the
Senate

10 COMMITTEE SUBSTITUTE

11 An Act relating to public finance; imposing
12 requirements with respect to certain shares;
13 prohibiting actions with respect to advice provided
14 by proxy advisers without certain commitment;
15 prohibiting grant of proxy voting rights; providing
16 exceptions; requiring tabulation of certain proxy
17 votes; requiring report to the State Treasurer;
18 defining term; providing for codification; providing
19 an effective date; and declaring an emergency.

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

18 SECTION 1. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 7010 of Title 62, unless there
20 is created a duplication in numbering, reads as follows:

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

1 Unless no economically practicable alternative is available, an
2 investment manager, fiduciary, or governmental entity shall not
3 adopt a practice of following the recommendations of a proxy adviser
4 or other service provider, unless the adviser or service provider
5 has a practice of, and in writing commits to, following proxy voting
6 guidelines that match the obligation of the governmental entity to
7 act solely upon pecuniary factors.

8 B. Unless no economically practicable alternative is available,
9 a governmental entity shall not grant proxy voting authority to any
10 person who is not a part of the governmental entity, unless that
11 person has a practice of, and in writing commits to, following
12 guidelines that match the obligation of the governmental entity to
13 act solely upon pecuniary factors.

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

21 D. All proxy votes shall be tabulated and reported annually to
22 the State Treasurer. For each vote, the report shall contain a vote
23 caption, the vote of the plan, the recommendation of company
24 management, and, if applicable, the recommendation of the proxy

1 advisor. These reports shall be posted on a publicly available
2 webpage on the website of the State Treasurer.

3 E. As used in this section, "government entity" means any state
4 agency, board, bureau, commission, or other entity organized within
5 the executive department of state government including any office of
6 this state or appointee acting as a fiduciary of the funds of this
7 state.

8 SECTION 2. This act shall become effective July 1, 2024.

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

13
14 59-2-3717 QD 4/8/2024 4:43:54 PM

15
16
17
18
19
20
21
22
23
24