

1 **SENATE FLOOR VERSION**

2 April 8, 2024

3 COMMITTEE SUBSTITUTE
4 FOR ENGROSSED
5 HOUSE BILL NO. 2547

By: O'Donnell and McBride of
the House

and

Rader and Woods of the
Senate

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10 [public finance - requirements - proxy advisers -
11 proxy voting rights - proxy votes - report -
12 codification - effective date -
13 emergency]

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

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

18 A. All shares of stock or ownership interest held directly or
19 indirectly by or on behalf of a governmental entity and the
20 participants and their beneficiaries shall be voted solely in the
21 pecuniary interest of plan participants and their beneficiaries.
22 Unless no economically practicable alternative is available, an
23 investment manager, fiduciary, or governmental entity shall not
24 adopt a practice of following the recommendations of a proxy adviser

1 or other service provider, unless the adviser or service provider
2 has a practice of, and in writing commits to, following proxy voting
3 guidelines that match the obligation of the governmental entity to
4 act solely upon pecuniary factors.

5 B. Unless no economically practicable alternative is available,
6 a governmental entity shall 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 obligation of the governmental entity to
10 act solely upon pecuniary factors.

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

18 D. All proxy votes shall be tabulated and reported annually to
19 the State Treasurer. For each vote, the report shall contain a vote
20 caption, the vote of the plan, the recommendation of company
21 management, and, if applicable, the recommendation of the proxy
22 advisor. These reports shall be posted on a publicly available
23 webpage on the website of the State Treasurer.

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

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

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

11 COMMITTEE REPORT BY: COMMITTEE ON FINANCE
12 April 8, 2024 - DO PASS AS AMENDED BY CS

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