

# An Act

ENROLLED SENATE  
BILL NO. 957

By: Alvord of the Senate

and

Lawson, Hildebrant, and  
Lepak of the House

An Act relating to public finance; modifying investment procedures relating to local governments; modifying authorized investments; repealing 62 O.S. 2021, Sections 348.1 and 348.3, as amended by Sections 1 and 2, Chapter 78, O.S.L. 2023 (62 O.S. Supp. 2024, Sections 348.1 and 384.3), which relate to the investment of funds; providing for codification; and providing an effective date.

SUBJECT: Public finance

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 348 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. The governing board of any political subdivision of this state, as defined by Section 152 of Title 51 of the Oklahoma Statutes, may authorize a written investment policy, ordinance, or resolution permitting and directing the treasurer or other duly authorized officer or employee of the political subdivision to invest public funds. Any written investment policy shall address liquidity, diversification, safety of principal, yield, maturity and quality, and capability of investment management, with primary emphasis on safety and liquidity in the investment of funds. A written investment policy shall, to the extent practicable, provide for the use of competitive bids when purchasing brokered securities. However, this section shall not be construed as preventing the use of sound investment judgment when purchasing brokered securities.

B. The written policy, ordinance, or resolution may authorize the treasurer or other duly authorized officer or employee of the political subdivision to purchase and invest in any or all of the following:

1. Direct obligations of the federal government, the payment of which the full faith and credit of the federal government is pledged, its agencies, or its instrumentalities; and of federal agencies or federal government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or federal government-sponsored enterprises;

2. Obligations, the payment of which the full faith and credit of this state is pledged, or investment grade obligations of state agencies, public trusts, authorities, or instrumentalities rated A+ or better by S&P Global or A1 or better by Moody's Ratings or equivalent by other securities ratings organization;

3. Collateralized or insured certificates of deposits of banks, savings and loan associations, savings banks, or credit unions located within the state and located out of the state when such certificates of deposits are secured by acceptable collateral;

4. Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings bank, a savings and loan association, or a state-licensed branch of a foreign bank;

5. Savings accounts or savings certificates of banks, savings and loan associations, or credit unions where the funds are either secured by acceptable collateral or fully insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration;

6. Direct debt obligations of county, municipal, or school districts or their authorities for which an ad valorem tax may be levied or paid by bond and revenue anticipation note; and of money judgments against a county, municipal, or school district paid by bonds or bond and revenue anticipation notes issued by a public trust of which the county, municipality, or school district is a beneficiary thereof;

7. Prime banker's acceptances which are eligible for purchase by the Federal Reserve System and which do not exceed two hundred seventy (270) days' maturity; provided, purchase of prime banker's acceptances shall not exceed ten percent (10%) of the surplus funds of the political subdivision which may be invested according to this section; however, the restrictions of this paragraph shall not apply to purchases of prime banker's acceptances by qualified pooled investment programs established under paragraph 11 of this section;

8. Prime commercial paper which shall not have a maturity that exceeds one hundred eighty (180) days nor represent more than ten percent (10%) of the outstanding paper of an issuing corporation. Purchases of prime commercial paper shall not exceed seven and one-half percent (7 1/2%) of the surplus funds of the political subdivision which may be invested pursuant to this section; however, the restrictions in this paragraph shall not apply to purchases of prime commercial paper by qualified pooled investment programs established under paragraph 11 of this section;

9. Repurchase agreements that have underlying collateral consisting of those items specified in paragraphs 1 through 8 of this subsection;

10. Money market funds regulated by the United States Securities and Exchange Commission and which investments consist of those items and those restrictions specified in paragraphs 1 through 9 of this subsection; or

11. Qualified pooled investment programs, the investments of which consist of those items specified in paragraphs 1 through 10 of this subsection. To be qualified, a pooled investment program must be governed through an interlocal cooperative agreement formed pursuant to Sections 1001 through 1008 of Title 74 of the Oklahoma Statutes.

C. Any political subdivision which elects to participate in a local government investment pool shall be deemed to have authorized investments in the items specified in paragraphs 1 through 10 of subsection B, notwithstanding any differences in the written investment plans adopted by the governing body.

D. The income received on any investment may be placed in the general fund, rainy day fund, capital reserve fund, or the fund from which the investment was made.

E. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

F. This section shall not prohibit public retirement systems from investing under any other system authorized under state law.

SECTION 2. REPEALER 62 O.S. 2021, Sections 348.1 and 348.3, as amended by Sections 1 and 2, Chapter 78, O.S.L. 2023 (62 O.S. Supp. 2024, Sections 348.1 and 384.3), are hereby repealed.

SECTION 3. This act shall become effective November 1, 2025.

Passed the Senate the 12th day of March, 2025.

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Presiding Officer of the Senate

Passed the House of Representatives the 30th day of April, 2025.

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Presiding Officer of the House  
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

By: \_\_\_\_\_

Approved by the Governor of the State of Oklahoma this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

By: \_\_\_\_\_