

1 STATE OF OKLAHOMA

2 2nd Session of the 60th Legislature (2026)

3 HOUSE BILL 3625

By: Lawson

6 AS INTRODUCED

7 An Act relating to schools; amending 70 O.S. 2021,
8 Section 5-115, which relates to investment of funds;
9 modifying provisions related to authorized
investments; providing an effective date; and
declaring an emergency.

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

13 SECTION 1. AMENDATORY 70 O.S. 2021, Section 5-115, is
14 amended to read as follows:

15 Section 5-115. A. Unless the context clearly shows otherwise,
16 the term "treasurer", as used in this section, includes a county
17 treasurer acting as the treasurer of a school district pursuant to
18 the provisions of Section 5-114 of this title. The treasurer so
19 appointed shall execute, before entering upon the duties of the
20 office of the treasurer, a surety bond in an amount which it is
21 estimated by the board of education the treasurer will have on hand
22 at any one time during the current year, and the amount of
23 securities held as investments shall not be considered. The board
24 of education is empowered to require the treasurer to increase or

1 decrease the bond of the treasurer as the amount of funds on hand
2 may require. Provided, the bond of a school district shall not, in
3 any event, be required to be in an amount greater than that of the
4 county treasurer of the county. The premium on the bond shall be
5 paid by the board of education out of district funds. Provided,
6 however, the treasurer of such district shall require the depository
7 wherein school district funds are deposited to insure or guarantee
8 the deposit by proper securities, which shall be of the same class
9 of securities as are required to insure deposits of county
10 treasurers of the various counties, and the securities shall be
11 pledged, taken and kept in the manner provided by Sections 517.1
12 through 517.7 of Title 62 of the Oklahoma Statutes.

13 B. In all districts which are permitted by law to select a
14 local treasurer, the county treasurer shall act as treasurer thereof
15 until such time as a local treasurer shall be appointed and has
16 executed the surety bond required by this section. In no instance
17 in which the county treasurer is the treasurer of any school
18 district shall any additional bond be required, but the official
19 bond of the county treasurer shall stand for any and all funds and
20 securities coming into the hands of the county treasurer.

21 C. The local treasurer of a district, when required by the
22 board of education, shall prepare and submit in writing a report of
23 the condition of the finances of the district and shall produce at
24 any meeting of the board or to any committee appointed for the

1 purpose of examining the accounts of the treasurer all books and
2 papers pertaining to the office of the treasurer. Upon failure to
3 make reports as provided for herein or as may otherwise be required
4 by law, the board may at any regular or special meeting thereof
5 summarily suspend the treasurer, and while so suspended the
6 treasurer shall perform no act pertaining to the office of the
7 treasurer. Such suspension shall continue until ended by order of
8 the board or by judgment of a court of competent jurisdiction.

9 D. The local treasurer of a school district shall keep a
10 separate cash ledger for each fund in the custody of the treasurer.
11 The local treasurer shall enter each collection and disbursement in
12 the cash ledger of the applicable fund by recording the date and
13 classification of each transaction and such other information as may
14 be deemed desirable. Additional ledgers shall also be maintained to
15 record the investments made from each fund. Such investment ledgers
16 shall disclose the date, description and principal amount paid for
17 each investment purchased and the date and principal amount received
18 for each investment liquidated.

19 E. Upon suspension by the board, the treasurer shall
20 immediately turn over to the board of education or to the acting
21 treasurer if one has been appointed by the board, all books and
22 papers and other property pertaining to the office of the treasurer.

23 F. Except as otherwise provided by law, no treasurer of any
24 district shall pay out school district funds in the care of the

1 treasurer except upon warrants signed by the proper school district
2 officials authorized by the law to sign such warrants, provided,
3 this restriction shall not apply to sinking funds or to the
4 investment of school district funds. Authorized sinking fund
5 payments and payment for investments or receipt of liquidated
6 investments may be made by check, wire transfer or other instrument
7 or method through the Federal Reserve System.

8 G. The board of education shall, each month, set aside funds to
9 an operating account and to an investment account. Investments by
10 the treasurer shall be made in accordance with a written policy
11 adopted by the board of education. The written investment policy
12 shall address liquidity, diversification, safety of principal,
13 yield, maturity, quality of the instrument, and capability of
14 investment management. Acting within the investment policy, the
15 treasurer shall place primary emphasis on safety and liquidity in
16 the investment of funds. Taking into account the need to use sound
17 investment judgment, school districts shall, to the extent
18 practicable, use competitive bids when they purchase direct
19 obligations of the United States Government or other obligations of
20 the United States Government, its agencies or instrumentalities.
21 Such system shall be designed to maximize yield within each class of
22 investment instrument, consistent with the safety of the funds
23 invested. The board of education must review the investment
24 performance of the treasurer on a regular basis and no less than

1 each month. The treasurer of every school district shall invest the
2 full amount of the investment account in:

3 1. Direct obligations of the ~~United States Government to~~
4 federal government the payment of which the full faith and credit of
5 the ~~Government of the United States~~ federal government is pledged;
6 provided, a treasurer of a school district who has completed the
7 program pursuant to the provisions of subsection H of this section
8 may invest funds in the investment account in other obligations of
9 the ~~United States Government~~ federal government, its agencies or
10 instrumentalities, federal agencies or federal-government-sponsored
11 enterprise obligations, participations, or other instruments,
12 including those issued by or fully guaranteed as to principal and
13 interest by federal agencies or federal-government-sponsored
14 enterprises;

15 2. Obligations, to the payment of which the full faith and
16 credit of this state is pledged, or investment grade obligations of
17 state agencies, authorities, or instrumentalities rated A+ or better
18 by Standard and Poor's Corporation and Fitch Ratings or A1 or better
19 by Moody's Investors Service or equivalent by another securities
20 rating organization;

21 3. ~~Certificates~~ Collateralized or insured certificates of
22 deposits of banks or credit unions located within the state and
23 located outside of the state when such certificates of deposits are
24

1 secured by acceptable collateral ~~as in the deposit of other public~~
2 ~~monies;~~

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

6 5. Savings accounts or savings certificates of ~~savings and loan~~
7 ~~associations~~ banks or credit unions where the funds are either
8 secured or acceptable collateral or savings and loan associations
9 to the extent that such accounts or certificates are fully insured
10 by the Federal ~~Savings and Loan~~ Deposit Insurance Corporation.
11 ~~Provided, that the income received from the investments may be~~
12 ~~placed in the general fund of the governmental subdivision to be~~
13 ~~used for general governmental operations~~ or the National Credit
14 Union Administration;

15 5. ~~Repurchase agreements that have underlying collateral~~
16 ~~consisting of those items specified in paragraphs 1 and 2 of this~~
17 ~~subsection including obligations of the United States, its agencies~~
18 ~~and instrumentalities, and where the collateral has been deposited~~
19 ~~with a trustee or custodian bank in an irrevocable trust or escrow~~
20 ~~account established for such purposes;~~

21 6. County Direct debt obligations of county, municipal or
22 school district districts or their authorities direct debt
23 obligations for which an ad valorem tax may be levied or paid by
24 bond and revenue anticipation notes, and of money judgments against

1 ~~such a~~ county, municipality or school district ~~ordered paid~~ by a
2 ~~court of record or~~ bonds or bond and revenue anticipation notes
3 issued by a public trust ~~for~~ of which ~~such the~~ county, municipality
4 or school district is a beneficiary thereof. All collateral pledged
5 to secure public funds shall be valued at no more than market value.
6 The income received from an investment may be placed in the general
7 fund of the governmental subdivision to be used for general
8 governmental operations, the sinking fund, the building fund, or the
9 fund from which the investment was made;

10 7. ~~Money market mutual funds regulated by the Securities and~~
11 ~~Exchange Commission and which investments consist of obligations of~~
12 ~~the United States, its agencies and instrumentalities, and~~
13 ~~investments in those items and those restrictions specified in~~
14 ~~paragraphs 1 through 6 of this subsection~~ Prime banker's acceptances
15 which are eligible for purchase by the Federal Reserve System and
16 which do not exceed two hundred seventy (270) days' maturity;
17 provided, purchase of prime banker's acceptances shall not exceed
18 ten percent (10%) of the surplus funds of the school district which
19 may be invested according to this section; provided further, the
20 restrictions of this paragraph shall not apply to purchases of prime
21 banker's acceptances by qualified pool investment programs
22 established under paragraph 12 of this subsection;

23 8. Prime commercial paper with a rating of A-1,P-1/F-1 which
24 shall not have a maturity that exceeds two hundred seventy (270)

1 days nor represent more than ten percent (10%) of the outstanding
2 paper of an issuing corporation. Purchases of prime commercial
3 paper shall not exceed seven and one-half percent (7 1/2%) of the
4 surplus funds of the school district which may be invested pursuant
5 to this section, however, the restrictions in this paragraph shall
6 not apply to purchases of prime commercial paper by qualified pooled
7 investment programs established under paragraph 12 of this
8 subsection;

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

12 ~~8.~~ 10. Warrants, bonds or judgments of the school district;

13 11. Money market funds regulated by the United States
14 Securities and Exchange Commission and which investments consist of
15 those items and those restrictions specified in paragraphs 1 through
16 9 of this subsection;

17 ~~9.~~ 12. Qualified pooled investment programs, the investments of
18 which consist of those items specified in paragraphs 1 through ~~8~~ 10
19 of this subsection, as well as obligations of the United States
20 agencies and instrumentalities, regardless of the size of the
21 district's budget. To be qualified, a pooled investment program for
22 school funds must be governed through an interlocal cooperative
23 agreement formed pursuant to Section 5-117b of this title, and the
24 program must competitively select its investment advisors and other

professionals. Any pooled investment program used must be approved by the board of education; or

~~10.~~ 13. Investment programs administered by the State Treasurer.

H. The board of education is hereby empowered to require the treasurer to satisfactorily complete an investment education program approved by the State Board of Education and the State Board of Career and Technology Education. Such program shall be designed to allow treasurers to make informed decisions regarding the safety, return, liquidity, costs and benefits of various investment options allowed under this section.

I. The income received on an investment may be placed in the fund from which the investment was made, the general fund, the building fund, or the sinking fund.

SECTION 2. This act shall become effective July 1, 2026.

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

60-2-14571 MAH 01/08/26