

1 ENGROSSED HOUSE  
2 BILL NO. 1561

By: Duel, Lepak, Manger, and  
Archer of the House

3 and

4 Hines of the Senate  
5  
6

7 An Act relating to public finance; enacting the Foreign  
8 Adversary Divestment Act of 2025; making findings; defining  
9 terms; prohibiting certain entities from owning certain  
10 investments; prescribing procedures for divestment;  
11 prescribing duties for the State Treasurer; providing  
immunity from certain liability for specific pension systems;  
12 providing for affirmative defense; providing for  
13 indemnification; providing for codification; and providing an  
14 effective date.

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

16 SECTION 1. NEW LAW A new section of law to be codified  
17 in the Oklahoma Statutes as Section 11001 of Title 62, unless there  
18 is created a duplication in numbering, reads as follows:

19 This act shall be known and may be cited as the "Foreign  
20 Adversary Divestment Act of 2025".

21 SECTION 2. NEW LAW A new section of law to be codified  
22 in the Oklahoma Statutes as Section 11002 of Title 62, unless there  
23 is created a duplication in numbering, reads as follows:

24 The Foreign Adversary Divestment Act of 2025 will ensure that  
Oklahoma public investment dollars are not put at risk in countries

1 of concern and do not fund the development of the military  
2 technologies and surveillance tools of foreign adversaries that  
3 impede the furthering of Oklahoma's interests and the interests of  
4 the United States of America, by requiring the divestment of public  
5 pension dollars and university endowment funds from countries of  
6 concern.

7 SECTION 3. NEW LAW A new section of law to be codified  
8 in the Oklahoma Statutes as Section 11003 of Title 62, unless there  
9 is created a duplication in numbering, reads as follows:

10 As used in this act:

11 1. "Company" shall mean any sole proprietorship, organization,  
12 association, corporation, partnership, joint venture, limited  
13 partnership, limited liability partnership, limited liability  
14 company, or other entity or business association, including wholly  
15 owned subsidiaries, majority-owned subsidiaries, parent companies,  
16 or affiliates of those entities or business associations, that exist  
17 for the purpose of making profit;

18 2. "Divestment" shall mean the sale or otherwise contractual  
19 end of any current or planned investments;

20 3. "Domicile" shall mean either the country in which a company  
21 is registered, where the company's affairs are primarily completed,  
22 or where the majority of ownership share is held;

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1       4. "Foreign adversary" shall mean any country designated by the  
2 United States Secretary of State as hostile or a Country of  
3 Particular Concern (CPC);

4       5. "Investment" shall mean any transfer of funds in any active  
5 or passive, direct or indirect structure which seeks to generate  
6 revenue or accomplish any other gain, including nonmonetary;

7       6. "Official government capacity" shall mean any role, elected  
8 or appointed, in a government or its subsidiaries;

9       7. "State-managed fund" shall mean any short- or long-term  
10 investment structure which is state-managed, state-run, state-  
11 controlled, or otherwise overseen by Oklahoma, a state agency, or  
12 any political subdivision within Oklahoma or agency controlled by  
13 the same, in which the state or subdivision has primary discretion  
14 over or vested interest in. Nothing in this definition shall be  
15 construed so as to not apply to any fund which is subject to the  
16 purview or direction of Oklahoma or applicable subdivision, and  
17 populated, wholly or in part, with state funds, but managed by a  
18 third-party entity, such as a fiduciary. This shall include, but is  
19 not limited to:

20           a. public pension funds, public retirement funds, or  
21           other state-sponsored funds, that is sponsored,  
22           maintained, or contributed to or required to be  
23           contributed to by Oklahoma or any locality within  
24           Oklahoma, or any subsidiaries of such,

1           b.    city, county, or other local or municipal entity  
2                   investment funds, "rainy day funds", or other  
3                   political-subdivision-controlled investment  
4                   structures, and

5           c.    university or college endowments, trusts, or other  
6                   structure which constitutes, wholly or in part, a  
7                   public institution of higher education's investable  
8                   assets; and

9           8.    "State-owned enterprise" shall mean any company owned or  
10           controlled, in whole or in part, by a government or by individuals  
11           acting in official government capacities in any form.

12           SECTION 4.        NEW LAW        A new section of law to be codified  
13           in the Oklahoma Statutes as Section 11004 of Title 62, unless there  
14           is created a duplication in numbering, reads as follows:

15           A.    All state and local managed funds are prohibited from  
16           holding investments in any:

- 17           1.    Foreign adversary;
- 18           2.    Company owned or controlled by a foreign adversary;
- 19           3.    State-owned enterprise of a foreign adversary;
- 20           4.    Company domiciled within a foreign adversary; or
- 21           5.    Other entity within a foreign adversary.

22           B.    All state and local managed funds are prohibited from  
23           investing or depositing public funds in any bank that is domiciled  
24           or has its principal place of business in a foreign adversary.

1 SECTION 5. NEW LAW A new section of law to be codified  
2 in the Oklahoma Statutes as Section 11005 of Title 62, unless there  
3 is created a duplication in numbering, reads as follows:

4 A. All state-managed funds are required to divest of any  
5 holdings prohibited in this act by January 1, 2036, or ten (10)  
6 years after the effective date of this act, whichever is earliest.

7 B. For purposes of this section, "divest" shall mean reducing  
8 the value of prohibited investments to no more than five-hundredths  
9 of one percent (0.0005) of the market value of all assets under  
10 management by a state or locally managed fund.

11 C. For the purposes of this section, any time a new country is  
12 designated as a foreign adversary, all state-mandated funds are  
13 required to divest of any holdings in the newly designated foreign  
14 adversary within ten (10) years after the designation of the country  
15 as a foreign adversary. If a country is re-designated as a foreign  
16 adversary after previously being removed from this list, the ten-  
17 year divestment period shall be from the last time the country is  
18 designated as a foreign adversary.

19 SECTION 6. NEW LAW A new section of law to be codified  
20 in the Oklahoma Statutes as Section 11006 of Title 62, unless there  
21 is created a duplication in numbering, reads as follows:

22 A. The State Treasurer shall develop a notification system to  
23 be able to identify foreign adversaries and Countries of Particular  
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1 Concern. Such information shall be available to the entities  
2 subject to the provisions of this act.

3 B. No later than six (6) months after the effective date of  
4 this act, the entities subject to the provisions of this act shall  
5 identify all companies that are state-owned enterprises of, are  
6 domiciled within, whose primary affairs are conducted within, or  
7 whose majority ownership is held within a foreign adversary, and  
8 companies owned or controlled by a foreign adversary. The  
9 identification process shall include, but are not limited to, the  
10 following:

11 1. Reviewing and relying on publicly available information  
12 regarding companies that are state-owned enterprises of, are  
13 domiciled within, whose primary affairs are conducted within, or  
14 whose majority ownership share is held within a foreign adversary,  
15 including information provided by nonprofit organizations, research  
16 firms, and government entities;

17 2. Contacting asset managers and fund managers contracted by a  
18 state-managed fund that invest in companies and in funds that are  
19 state-owned enterprises of, are domiciled within, whose primary  
20 affairs are conducted within, or whose majority or plurality  
21 ownership share is held within a foreign adversary; and

22 3. Contacting other institutional investors that have divested  
23 from or engaged with companies that are state-owned enterprises of,  
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1 are domiciled within, whose primary affairs are conducted within, or  
2 whose majority ownership share is held within a foreign adversary.

3 SECTION 7. NEW LAW A new section of law to be codified  
4 in the Oklahoma Statutes as Section 11007 of Title 62, unless there  
5 is created a duplication in numbering, reads as follows:

6 A. As used in this section, "public pension system" means the:

- 7 1. Oklahoma Firefighters Pension and Retirement System;
- 8 2. Oklahoma Police Pension and Retirement System;
- 9 3. Uniform Retirement System for Justices and Judges;
- 10 4. Oklahoma Law Enforcement Retirement System;
- 11 5. Teachers' Retirement System of Oklahoma; and
- 12 6. Oklahoma Public Employees Retirement System.

13 B. No public pension system shall be liable in any action for  
14 damages based upon the loss or alleged loss of value in pension  
15 system assets based upon the provisions of this act. The provisions  
16 of this subsection shall also be applicable to any action filed  
17 naming the governing board of a public pension system, one or more  
18 members of the governing board of a public pension system, or any of  
19 its employees as defendants.

20 C. In any action filed naming a public pension system or any  
21 other person described in subsection B of this section as  
22 defendants, it shall be a defense to the action that the value of  
23 pension system assets increased at any time after the date of the  
24 alleged decrease in the value of pension system assets resulting

1 from failure to comply with the provisions of this act. The  
2 provisions of this subsection shall be applicable with regard to an  
3 increase in the value of pension system assets occurring at any time  
4 after such date, including the date as of which the action is filed.  
5 For purposes of this section, any increase in the value of pension  
6 system assets occurring during the pendency of an appeal from a  
7 final judgment or other order establishing liability for damages may  
8 also be used in defense of the claim for damages and the time period  
9 shall be inclusive of any period during which a case is remanded  
10 from an appellate court to a district court.

11 SECTION 8. NEW LAW A new section of law to be codified  
12 in the Oklahoma Statutes as Section 11008 of Title 62, unless there  
13 is created a duplication in numbering, reads as follows:

14 A. The State of Oklahoma, public pension system plans as  
15 defined in this act, as well as officers, board members, and  
16 employees of the state or the public pension systems are immune from  
17 civil liability for any act or omission related to any provision  
18 under this act.

19 B. In addition to the immunity provided under subsection A of  
20 this section, officers, board members, and employees of the state or  
21 the public pension system plans are entitled to indemnification from  
22 the public pension system for all losses, costs and expenses,  
23 including reasonable attorney fees, associated with defending  
24 against any claim or suit related to any provision of this act.



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SECTION 9. This act shall become effective November 1, 2025.

Passed the House of Representatives the 26th day of March, 2025.

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Presiding Officer of the House  
of Representatives

Passed the Senate the \_\_\_ day of \_\_\_\_\_, 2025.

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Presiding Officer of the Senate